

# **THE GENERAL STATUTES OF NORTH CAROLINA**

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**1975 CUMULATIVE SUPPLEMENT**

---

**Completely Annotated, under the Supervision of the  
Department of Justice, by the Editorial Staff  
of the Publishers**

UNDER THE DIRECTION OF

W. M. WILLSON, J. H. VAUGHAN AND SYLVIA FAULKNER

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**Volume 2A**

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**Place with Corresponding Volume of Main Set. This  
Supersedes Previous Pocket Supplement, Which  
May Be Retained for Reference Purposes.**

THE MICHIE COMPANY, LAW PUBLISHERS  
CHARLOTTESVILLE, VA.

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## Preface

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This Cumulative Supplement to Replacement Volume 2A contains the general laws of a permanent nature enacted at the 1966, 1967, 1969, 1971, the First and Second 1973 and the 1975 Sessions of the General Assembly, which are within the scope of such volume, and brings to date the annotations included therein. At the First 1973 Session, the General Assembly enacted Session Laws 1973, Chapters 1 to 826. At the Second 1973 Session, which was held in 1974, the General Assembly enacted Session Laws 1973, Chapters 827 to 1482.

Amendments of former laws are inserted under the same section numbers appearing in the General Statutes, and new laws appear under the proper chapter headings. Editors' notes point out many of the changes effected by the amendatory acts.

Chapter analyses show all sections except catchlines carried for the purpose of notes only. An index to all statutes codified herein appears in Replacement Volumes 4B, 4C and 4D and the 1975 Cumulative Supplements thereto.

A majority of the Session Laws are made effective upon ratification but a few provide for stated effective dates. If the Session Law makes no provision for an effective date, the law becomes effective under G.S. 120-20 "from and after thirty days after the adjournment of the session" in which passed. All legislation appearing herein became effective upon ratification, unless noted to the contrary in an editor's note or an effective date note.

Beginning with the opinions issued by the North Carolina Attorney General on July 1, 1969, any opinion which construes a specific statute will be cited as an annotation to that statute. For a copy of an opinion or of its headnotes write the Attorney General, P.O. Box 629, Raleigh, N.C. 27602.

The members of the North Carolina Bar are requested to communicate any defects they may find in the General Statutes or in this Supplement, and any suggestions they may have for improving the General Statutes, to the Department of Justice of the State of North Carolina, or to The Michie Company, Law Publishers, Charlottesville, Virginia.



## Scope of Volume

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### Statutes:

Permanent portions of the general laws enacted at the 1967, 1969, 1971, the First and Second 1973 and the 1975 Sessions of the General Assembly affecting Chapters 28 through 52A of the General Statutes.

### Annotations:

Sources of the annotations:

North Carolina Reports volumes 265 (p. 217)-288 (p. 121).  
North Carolina Court of Appeals Reports volumes 1-26 (p. 535).  
Federal Reporter 2nd Series volumes 347 (p. 321)-518 (p. 32).  
Federal Supplement volumes 242 (p. 513)-396 (p. 256).  
Federal Rules Decisions volumes 56 (p. 663)-67 (p. 193).  
United States Reports volumes 381 (p. 532)-419 (p. 984).  
Supreme Court Reporter volumes 86-95 (p. 2683).  
North Carolina Law Review volumes 43 (p. 666)-49 (p. 1006).  
Wake Forest Intramural Law Review volumes 2-7 (p. 697).  
Opinions of the Attorney General.



## Scope of Volume

Permanent portions of the general laws created at the 1907, 1909, 1917, the First and Second 1919 and the 1975 Sessions of the General Assembly affecting Chapters 28 through 28A of the General Statutes.

### Annotations

#### Source of the annotations

North Carolina Reports volumes 285 (p. 317) 388 (p. 421)  
North Carolina Court of Appeals Reports volumes 1-38 (p. 835)  
Federal Reports and series volumes 311 (p. 831-842) p. 883  
Federal Supplement volumes 218 (p. 813-836) p. 850  
Federal Rules Decisions volumes 55 (p. 833-847) p. 1891  
United States Reports volumes 337 (p. 783-810) p. 884  
Supreme Court Reports volumes 58-65 (p. 3983)  
North Carolina Law Review volumes 43 (p. 688-79) p. 1008  
Water Law Journal and Law Review volumes 3-7 (p. 837)

Opinions of the Attorney General.

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# The General Statutes of North Carolina

## 1975 Cumulative Supplement

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### VOLUME 2A

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#### Chapter 28.

#### Administration.

§§ 28-1 to 28-201: Repealed by Session Laws 1973, c. 1329, s. 1, effective October 1, 1975.

**Editor's Note.** — Session Laws 1973, c. 1329, effective Oct. 1, 1975, repeals this Chapter, enacts a new Chapter 28A, Administration of Decedents' Estates, and redesignates the original Chapter 28A, Estates of Missing Persons, as Chapter 28C. Sections 28-68, 28-68.1, 28-68.2, and 28-68.3 are transferred and renumbered to § 28A-25-6 by the 1973 act.

Section 28-53 is transferred and renumbered § 36-67 by the 1973 act.

Session Laws 1973, c. 1329, originally made effective July 1, 1975, was amended by Session Laws 1975, c. 19, s. 12, so as to make it effective as to estates of decedents dying on and after that date, and by Session Laws 1975, c. 118, so as to change the date to Oct. 1, 1975.

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**Editor's Note.** — This Chapter was enacted by Session Laws 1973, c. 1329, effective Oct. 1, 1975, which repealed former Chapter 28, Administration, and redesignated former Chapter 28A, Estates of Missing Persons, as Chapter 28C. Where appropriate, historical citations to sections in repealed Chapter 28 have been added to similar sections in Chapter 28A.

Session Laws 1973, c. 1329, originally made

effective July 1, 1975, was amended by Session Laws 1975, c. 19, s. 12, so as to make it effective as to estates of decedents dying on and after that date, and by Session Laws 1975, c. 118, so as to change the date to Oct. 1, 1975.

The cases cited under this Chapter were decided under corresponding sections of Chapter 28.

## ARTICLE 1.

### *Definitions and Other General Provisions.*

§ 28A-1-1. **Definitions.** — As used in this Chapter, unless the context otherwise requires, the term:

- (1) "Devisee" means any person entitled to take real or personal property under the provisions of a valid, probated will.
- (2) "Foreign personal representative" means a personal representative appointed in another jurisdiction, including a personal representative appointed in another country.
- (3) "Heir" means any person entitled to take real or personal property upon intestacy under the provisions of Chapter 29 of the General Statutes.
- (4) "Mortgage" includes a deed of trust.
- (5) "Personal representative" includes both an executor and an administrator, but does not include a collector.
- (6) "Service" means delivery of the citation, summons, notice or other civil process to the person to be served by an officer authorized to serve process and, if such service cannot be obtained, then by the mailing of the citation, summons, notice or other civil process by certified mail, return receipt requested, to the last known address of the person to be served. (1973, c. 1329, s. 3.)

§ 28A-1-2. **Doctrine of worthier title abolished.** — The common-law doctrine of worthier title, both the wills branch and the deeds branch, is hereby abolished. (1973, c. 1329, s. 3.)

## ARTICLE 2.

### *Jurisdiction for Probate of Wills and Administration of Estates of Decedents.*

§ 28A-2-1. **Clerk of superior court.** — The clerk of superior court of each county, ex officio judge of probate, shall have jurisdiction of the administration,



settlement, and distribution of estates of decedents including, but not limited to, the following:

- (1) Probate of wills;
- (2) Granting of letters testamentary and of administration, or other proper letters of authority for the administration of estates. (R. C., c. 46, s. 1; C. C. P., s. 433; 1868-9, c. 113, s. 115; Code, s. 1374; Rev., s. 16; C. S., s. 1; 1931, c. 165; 1943, c. 543; 1951, c. 765; 1973, c. 1329, s. 3.)

**Character of Powers and Jurisdiction.** — The authority to probate a will is vested in the clerk of the superior court; and in the exercise of his probate jurisdiction, the clerk is an independent tribunal of original jurisdiction. In *re Will of Spinks*, 7 N.C. App. 417, 173 S.E.2d 1 (1970).

**Jurisdiction Exclusive.** — Where the clerk of a county had authority, upon proper application and proof, to admit a document to probate as a will, through the exercise of such authority by the admission of the documents to probate, his jurisdiction over the estate becomes exclusive. The subsequent discovery and presentation for probate of another document, executed later, as the last will of the decedent, would not deprive that clerk of the exclusive jurisdiction previously so acquired. In *re Davis*, 277 N.C. 134, 176 S.E.2d 825 (1970).

**Jurisdiction of Superior Court Is Derivative.** — Upon appeal from action taken by the clerk of the superior court, in the exercise of his probate jurisdiction, the jurisdiction of the superior court is derivative, and the provisions of § 1-276 are not applicable. In *re Will of Spinks*, 7 N.C. App. 417, 173 S.E.2d 1 (1970).

**Lack of Jurisdictional Requirements.** — When jurisdictional requirements for probate are shown to be lacking, the clerk may revoke his order admitting the document to probate. In *re Davis*, 277 N.C. 134, 176 S.E.2d 825 (1970).

**Probate May Not Be Denied on Ground Involving Construction.** — The clerk has no right to exclude any part of a will from probate on any ground which involves the construction of the will where testamentary intent is disclosed. *Ravenel v. Shipman*, 271 N.C. 193, 155 S.E.2d 484 (1967).

**Clerk May Vacate Order Admitting Will to Probate.** — Since the clerk of the superior court of each county has original and exclusive jurisdiction of proceedings to probate a will, he is the tribunal to which a motion is properly made to set aside the probate of a purported will — or part thereof — for any inherent and fatal defect appearing upon the face of the instrument. *Ravenel v. Shipman*, 271 N.C. 193, 155 S.E.2d 484 (1967).

The clerk of the superior court has the power to set aside a probate of a will in common form in a proper case. This power can be exercised by

the clerk where it is clearly made to appear that the adjudication and orders have been improvidently granted or that the court was imposed upon or misled as to the essential and true conditions existent in a given case. However, this power of the clerk does not extend to the setting aside of the probate of a will in common form upon grounds which should be raised by caveat. In *re Will of Spinks*, 7 N.C. App. 417, 173 S.E.2d 1 (1970).

**The burden of proof on a motion to vacate a probate** is on the movants to establish sufficient grounds to set aside the probate. In *re Will of Spinks*, 7 N.C. App. 417, 173 S.E.2d 1 (1970).

**Direct Attack.** — The validity of the appointment of an administrator may not be collaterally attacked in an action against such administrator, but may be directly attacked by any person in interest, including an administratrix of the decedent appointed in another state, by motion before the clerk of the superior court who made the appointment to vacate and set aside the letters of administration theretofore issued by such clerk. *King v. Snyder*, 269 N.C. 148, 152 S.E.2d 92 (1967).

**Administrator Defending Wrongful Death Action Estopped to Deny Validity of Appointment.** — An administrator appointed in this State who undertakes to defend an action for wrongful death by moving to set aside a default judgment and filing answer is thereafter estopped to deny the validity of his own appointment, and the court correctly denies his motion to dismiss the action for lack of jurisdiction of his person or the estate. The validity of his appointment is not before the court, and it is error for the court to find facts in regard thereto. *King v. Snyder*, 269 N.C. 148, 152 S.E.2d 92 (1967).

**Amendment to Substitute Proper Party Relates Back.** — Under § 1A-1, Rule 15(a) and (c) and Rule 17(a), a lack of letters of administration may be cured, and an objection to want of capacity to sue may be avoided by amendment or by substitution of the proper party at any time before hearing. Later appointments of this nature will relate back and validate the proceedings from the beginning regardless of the statute of limitations.



McNamara v. Kerr-McGee Chem. Corp., 328 F. Supp. 1058 (E.D.N.C. 1971).

Where a complaint to recover damages under a state wrongful death act was timely filed by an ancillary administrator appointed by a state court without jurisdiction to do so, the complaint could be amended under § 1A-1, Rule 17(a) at a

time when a new suit would be barred so as to allege the subsequent effective appointment of the same person as ancillary administrator by a state court having jurisdiction. *McNamara v. Kerr-McGee Chem. Corp.*, 328 F. Supp. 1058 (E.D.N.C. 1971).

**§ 28A-2-2. Assistant clerk of superior court.** — An assistant clerk of superior court shall have jurisdiction as provided by G.S. 7A-102. (1973, c. 1329, s. 3.)

**§ 28A-2-3. Jurisdiction where clerk interested.** — Whenever the clerk of superior court is a subscribing witness to a will offered for probate in his county or has an interest, direct or indirect, in an estate or trust within his jurisdiction, jurisdiction with respect thereto shall be vested in the senior resident superior court judge of his district, and shall extend to all things which the clerk of superior court might have done in the administration of such estate. (R. C., c. 46, s. 1; C. C. P., s. 433; 1868-9, c. 113, s. 115; Code, s. 1374; Rev., s. 16; C. S., s. 1; 1931, c. 165; 1943, c. 543; 1951, c. 765; 1973, c. 1329, s. 3; 1975, c. 300, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, inserted "is a subscribing

witness to a will offered for probate in his county or" near the beginning of the section.

### ARTICLE 3.

#### *Venue for Probate of Wills and Administration of Estates of Decedents.*

**§ 28A-3-1. Proper county.** — The venue for the probate of a will and for all proceedings relating to the administration of the estate of a decedent shall be:

- (1) In the county in this State where the decedent had his domicile at the time of his death; or
- (2) If the decedent had no domicile in this State at the time of death, then in any county wherein the decedent left any property or assets or into which any property or assets belonging to this estate may have come. If there be more than one such county, that county in which proceedings are first commenced shall have priority of venue; or
- (3) If the decedent was a nonresident motorist who died in the State, then in any county in the State. (R. C., c. 46, s. 1; C. C. P., s. 433; 1868-9, c. 113, s. 115; Code, s. 1374; Rev., s. 16; C. S., s. 1; 1931, c. 165; 1943, c. 543; 1951, c. 765; 1973, c. 1329, s. 3.)

**Domicile at Death in County of Clerk Who Undertakes Probate Is Essential to Jurisdiction.** — See *In re Davis*, 277 N.C. 134, 176 S.E.2d 825 (1970).

**Citizenship of Beneficiaries Controls in Diversity Action.** — In determining the presence of diversity of citizenship when state law requires that an action be prosecuted in the name of a resident administrator, the citizenship of the beneficiaries, rather than that of the administrator, is relevant. *Miller v. Perry*, 456 F.2d 63 (4th Cir. 1972).

The term "asset" includes intangibles. In *re Edmundson*, 273 N.C. 92, 159 S.E.2d 509 (1968).

**Automobile Liability Insurance Policy Is Asset.** — A policy of automobile liability insurance issued in the name of the deceased by an insurer qualified to do business in this State or otherwise subject to service of process is an asset so as to support the appointment of an ancillary administrator. In *re Edmundson*, 273 N.C. 92, 159 S.E.2d 509 (1968).



**§ 28A-3-2. Proceedings to determine venue.** — (a) If proceedings are commenced in more than one county or if upon commencement of a proceeding a question arises as to the proper county of venue, or if for any other reason a delay arises in determining venue, then the matter shall be referred by the clerk of superior court before whom the question arises for a hearing before and determination by the senior resident superior court judge or any judge assigned to hold the superior courts of the district which includes the county where the proceedings were first commenced. The judge shall determine which is the proper county for administration of the estate and stay proceedings in all other counties. He shall make such orders as are necessary to transfer the entire proceedings to the proper county. The clerk of superior court of each county in which proceedings are stayed shall retain a true copy of the entire file and transmit the original to the clerk of superior court of such county as the judge directs.

(b) A proceeding shall be deemed commenced by the offering of a will for probate or by applying for letters of administration as provided by G.S. 28A-6-1 through 28A-6-5 or by applying for letters of collection as provided by G.S. 28A-11-1 through 28A-11-4 and the proceeding first legally commenced shall extend to all of the property or assets of the decedent in this State. (1973, c. 1329, s. 3; 1975, c. 19, s. 7.)

**Editor's Note.** — The 1975 amendment "28A-11-4" for "28A-11-5" near the middle of corrected an error in the 1973 act by substituting subsection (b).

**§ 28A-3-3. Procedure after determination of improper appointment.** — Where a person has been improperly appointed, and a different person in another county is determined under G.S. 28A-3-2(a) to be the properly appointed personal representative, such improperly appointed personal representative shall surrender to the properly appointed personal representative all assets of the estate under his control. In addition such improperly appointed personal representative shall file an accounting with the clerk of superior court in the proper county according to the form prescribed for collectors by G.S. 28A-11-4. (1973, c. 1329, s. 3.)

**§ 28A-3-4. Liability of personal representative appointed in improper county.** — When a personal representative has been appointed in an improper county, and a different person in another county is determined under G.S. 28A-3-2(a) to be the properly appointed personal representative, such improperly appointed personal representative shall not thereby incur personal liability for administrative acts performed prior to the transfer except as provided in G.S. 28A-13-10. (1973, c. 1329, s. 3.)

**§ 28A-3-5. Waiver of venue.** — If questions as to priority of venue are not raised within three months after the issuance of letters testamentary or letters of administration to the personal representative, the validity of the proceeding shall not be affected by any error in venue. (1973, c. 1329, s. 3.)

#### ARTICLE 4.

##### *Qualification and Disqualification for Letters Testamentary and Letters of Administration.*

**§ 28A-4-1. Order of persons qualified to serve.** — (a) Letters Testamentary. — Letters testamentary shall be granted to the executor or executors named or designated in the will, or if no such person qualifies, to any substitute or



successor executor named or designated in the will. If no person so named or designated qualifies, letters testamentary shall be granted to some other person nominated by a person upon whom the will expressly confers the authority to make such nomination. If none of the foregoing persons qualifies or if the clerk of superior court upon hearing finds that none of the foregoing persons is qualified in accordance with G.S. 28A-4-2, the clerk shall grant letters of administration in accordance with subsection (b).

(b) Letters of Administration. — Letters of administration shall be granted to persons who are qualified to serve, in the following order, unless the clerk of superior court in his discretion determines that the best interests of the estate otherwise require:

- (1) The surviving spouse of the decedent;
- (2) Any devisee of the testator;
- (3) Any heir of the decedent;
- (4) Any creditor to whom the decedent became obligated prior to his death;
- (5) Any person of good character residing in the county who applies therefor; and
- (6) Any other person of good character not disqualified under G.S. 28A-4-2.

When applicants are equally entitled, letters shall be granted to the applicant who, in the judgment of the clerk of superior court, is most likely to administer the estate advantageously, or they may be granted to any two or more of such applicants. (R. C., c. 46, ss. 2, 3; C. C. P., s. 456; 1868-9, c. 113, s. 115; Code, s. 1376; Rev., s. 3; C. S., s. 6; 1949, c. 22; 1973, c. 1329, s. 3.)

Any or all of the marital rights under this section may be surrendered by a properly drawn separation agreement complying with the

requirements of § 52-6. Lane v. Scarborough, 19 N.C. App. 32, 198 S.E.2d 45, rev'd on other grounds, 284 N.C. 407, 200 S.E.2d 622 (1973).

**§ 28A-4-2. Persons disqualified to serve as personal representative.** — No person is qualified to serve as a personal representative who:

- (1) Is under 18 years of age;
- (2) Has been adjudged incompetent in a formal proceeding and remains under such disability;
- (3) Is a convicted felon, under the laws either of the United States or of any state or territory of the United States, or of the District of Columbia and whose citizenship has not been restored;
- (4) Is a nonresident of this State who has not appointed a resident agent to accept service of process in all actions or proceedings with respect to the estate, and caused such appointment to be filed with the court; or who is a resident of this State who has, subsequent to appointment as a personal representative, moved from this State without appointing such process agent;
- (5) Is a corporation not authorized to act as a personal representative in this State;
- (6) Is an alien disqualified by law;
- (7) Has lost his rights as provided by Chapter 31A;
- (8) Is illiterate;
- (9) Is a person whom the clerk of superior court finds otherwise unsuitable; or
- (10) Is a person who has renounced either expressly or by implication as provided in G.S. 28A-5-1 and G.S. 28A-5-2. (C. C. P., s. 457; Code, ss. 1377, 1378, 2162; Rev., s. 5; C. S., s. 8; 1973, c. 1329, s. 3.)



**Noncitizen Entitled to Federal Forum.** — Diversity jurisdiction exists for the protection of the noncitizen who is obliged to sue or to be sued in the state of his adversary. It is for that reason that state statutes or decisions that require a noncitizen to appoint an in-state representative should not have the effect of depriving the noncitizen of the federal forum that Congress has provided him. *Miller v. Perry*, 456 F.2d 63 (4th Cir. 1972).

**Citizenship of Beneficiaries Controls in Diversity Action.** — In determining the presence of diversity of citizenship when state law requires that an action be prosecuted in the name of a resident administrator, the citizenship of the beneficiaries, rather than that of the administrator, is relevant. *Miller v. Perry*, 456 F.2d 63 (4th Cir. 1972).

## ARTICLE 5.

### *Renunciation by Personal Representative.*

**§ 28A-5-1. Renunciation by executor.** — (a) **Express Renunciation by Executor.** — Any person named or designated as executor in a duly probated will may renounce the office by filing with the clerk of superior court a writing signed by such person, and acknowledged or proved to the satisfaction of the clerk.

(b) **Implied Renunciation by Executor.** — If any person named or designated as executor fails to qualify or to renounce within 30 days after the will had been admitted to probate, the clerk of superior court, on application of any other person named or designated as executor in the will or of any interested person, shall, or on his own motion may, issue a citation to the person who has failed to qualify or renounce to show cause why he should not be deemed to have renounced. If, upon service of the citation, he does not qualify or renounce or show cause within the time fixed in the citation, such period to be not less than 10 nor more than 30 days, an order must be entered by the clerk of superior court adjudging that he has renounced. If cause be shown, the clerk of superior court may grant to such person a reasonable extension of time within which to qualify or renounce.

(c) **Procedure upon Renunciation.** — Upon renunciation by a person named or designated as executor, letters shall be issued to some other person as provided in G.S. 28A-4-1. (C. C. P., ss. 450, 451; Code, ss. 2163, 2164; Rev., ss. 10, 13; C. S., ss. 13, 16; 1931, c. 183; 1953, c. 78, s. 1; 1973, c. 1329, s. 3.)

**§ 28A-5-2. Renunciation of right to administer.** — (a) **Express Renunciation.** — Any person entitled to apply for letters of administration may renounce the office by filing with the clerk of superior court a writing signed by such person, and acknowledged or proved to the satisfaction of the clerk.

(b) **Implied Renunciation.** —

(1) If any person entitled to apply for letters of administration fails to apply therefor within 30 days from the date of death of the intestate, the clerk of superior court, on application of any interested person, shall, or on his own motion may, issue a citation to the person entitled to apply for letters of administration requiring him to show cause why he should not be deemed to have renounced. If, upon service of the citation, he does not apply for letters of administration and tender the required bond or show cause within the time shown in the citation, such period to be not less than 10 nor more than 30 days, an order must be entered by the clerk of the superior court adjudging that he has renounced; and the clerk of superior court shall issue letters to some other person as provided in G.S. 28A-4-1. If cause be shown the clerk of superior court may grant to such person a reasonable extension of time within which to apply and qualify, or renounce.

(2) If no person entitled to administer applies for letters of administration within 90 days after the date of death of an intestate, then the clerk



of superior court may, in his discretion, enter an order declaring all prior rights to apply for letters of administration to be renounced, and issue letters to some suitable person as provided in G.S. 28A-4-1.

(c) **Nomination by Person Renouncing.** — Any person who expressly renounces his prior right to apply for letters of administration may at the same time nominate in writing some other person not disqualified under G.S. 28A-4-2 to be named as personal representative, and such designated person shall be entitled to the same priority of right to apply for letters of administration as the person making the nomination. (R. C., c. 46, ss. 2, 3; C. C. P., ss. 456, 460(a); 1868-9, c. 113, s. 115; c. 203; Code, ss. 1376, 1380; Rev., ss. 3, 12; C. S., ss. 6, 15; 1949, c. 22; 1973, c. 1329, s. 3.)

Any or all of the marital rights under this section may be surrendered by a properly drawn separation agreement complying with

the requirements of § 52-6. *Lane v. Scarborough*, 19 N.C. App. 32, 198 S.E.2d 45 (1973).

## ARTICLE 6.

### *Appointment of Personal Representative.*

**§ 28A-6-1. Application for letters; grant of letters.** — (a) The application for letters of administration or letters testamentary shall be in the form of an affidavit sworn to before an officer authorized to administer oaths, signed by the applicant or his attorney, which may be supported by other proof under oath in writing, all of which shall be recorded and filed by the clerk of superior court, and shall allege the following facts:

- (1) The name, and to the extent known, the domicile and the date and place of death of the decedent;
- (2) The legal residence and mailing address of the applicant;
- (3) The names, ages and mailing addresses of the decedent's heirs and devisees, including the names and mailing addresses of the guardians of those having court-appointed guardians, so far as all of these facts are known or can with reasonable diligence be ascertained;
- (4) That the applicant is the person entitled to apply for letters, or that he applies after persons having prior right to apply are shown to have renounced under Article 5 of this Chapter, or that he applies subject to the provisions of G.S. 28A-6-2(1), and that he is not disqualified under G.S. 28A-4-2.
- (5) The nature and probable value of the decedent's property, both real and personal, and the location of such property, so far as all of these facts are known or can with reasonable diligence be ascertained; and
- (6) If the decedent was not domiciled in this State at the time of his death, a schedule of his property located in this State, and the name and mailing address of his domiciliary personal representative, or if there is none, whether a proceeding to appoint one is pending.

(b) If it appears to the clerk of superior court that the application and supporting evidence comply with the requirements of subsection (a) and on the basis thereof he finds that the applicant is entitled to appointment, he shall issue letters of administration or letters testamentary to the applicant unless in his discretion he determines that the best interests of the estate would be served by delaying the appointment of a personal representative, in which case he may appoint a collector as provided in Article 11. (C. C. P., s. 461; Code, s. 1381; Rev., s. 26; C. S., s. 28; 1973, c. 1329, s. 3.)

**§ 28A-6-2. Letters issued without notice; exceptions.** — Letters of administration or letters testamentary may be issued without notice, except:



- (1) When the applicant is not entitled to priority of appointment under G.S. 28A-4-1, all persons entitled to an equal or higher preference shall be given notice by citation as provided in G.S. 28A-5-2(b)(1), unless they have renounced in accordance with the provisions of Article 5 of this Chapter.
- (2) The clerk of superior court may in any case require that notice be given to such interested persons as he in his discretion may designate prior to the granting of letters. (1973, c. 1329, s. 3.)

**§ 28A-6-3. Appointment of successor to personal representative.** — When the appointment of a sole or last surviving personal representative is terminated by death, resignation pursuant to Article 10 of this Chapter, or revocation pursuant to Article 9 of this Chapter, the clerk of superior court shall appoint another personal representative as provided by G.S. 28A-4-1 to act as his successor. When two or more personal representatives have qualified, and the appointment of one or more of them is terminated by death, resignation or revocation, leaving in office one or more personal representatives, the appointment of successors shall not be required unless:

- (1) The clerk of superior court determines, in his discretion, that it is in the best interest of the estate to appoint a successor or successors to such personal representative or personal representatives, or
- (2) In the case of executors, the will so provides. (C. C. P., s. 451; Code, s. 2164; Rev., s. 13; C. S., s. 16; 1931, c. 183; 1953, c. 78, s. 1; 1973, c. 1329, s. 3.)

**§ 28A-6-4. Right to contest appointment; procedure.** — Prior to the issuance of letters, any interested person may, by written objection filed with the clerk of superior court, with notice to the applicant, contest the issuance of letters of administration or letters testamentary to such applicant. After an objection has been duly filed, the clerk of superior court shall conduct a hearing and determine whether letters shall issue to the applicant. Appeal may be taken from the order of the clerk as in a special proceeding. (C. C. P., s. 462; Code, s. 1382; Rev., s. 27; C. S., s. 29; 1973, c. 1329, s. 3; 1975, c. 300, s. 2.)

**Editor's Note.** — The 1975 amendment, issuance of letters" at the beginning of the effective Oct. 1, 1975, added "Prior to the section.

**§ 28A-6-5. Letters not subject to collateral attack.** — The validity of letters issued shall not be subject to collateral attack. (1973, c. 1329, s. 3.)

## ARTICLE 7.

### *Oath.*

**§ 28A-7-1. Oath required before letters issue.** — Before letters testamentary, letters of administration or letters of collection are issued to any person, he shall take and subscribe an oath or affirmation before the clerk of superior court, or before any other officer of any state or country authorized by the laws of North Carolina to administer oaths, that he will faithfully and honestly discharge the duties of his office. Such oath or affirmation shall be in the form prescribed in G.S. 11-11, and shall be filed in the office of the clerk of superior court. (C. C. P., ss. 467, 468; 1870-1, c. 93; Code, ss. 1387, 1388, 2169; Rev., s. 29; C. S., s. 39; 1923, c. 56; 1967, c. 41, s. 1; 1973, c. 1329, s. 3.)



## ARTICLE 8.

*Bond.***§ 28A-8-1. Bond required before letters issue; when bond not required. —**

(a) Except as otherwise provided in subsection (b), every personal representative, before letters are issued, shall give bond, conditioned as provided in G.S. 28A-8-2.

(b) No bond shall be required of:

- (1) A resident executor, unless the express terms of the will require him to give bond.
- (2) A nonresident executor (or a resident executor who moves from this State subsequent to his appointment) who has appointed a resident agent to accept service of process as provided in G.S. 28A-4-2(a) [28A-4-2(4)], when the express terms of the will excuse him from giving bond.
- (3) A nonresident executor, when there is a resident executor named who has qualified as coexecutor unless the express terms of the will require them to give bond, or the clerk of superior court finds that such bond is necessary for the protection of the estate; or
- (4) A personal representative appointed solely for the purpose of bringing an action for the wrongful death of the deceased until such time as the personal representative shall receive property into the estate of the deceased; or
- (5) A personal representative that is a national banking association having its principal place of business in this State or a State bank acting pursuant to G.S. 53-159. (C. C. P., ss. 467, 468; 1870-1, c. 93; Code, ss. 1387, 1388, 2169; Rev., s. 29; C. S., s. 39; 1923, c. 56; 1967, c. 41, s. 1; 1973, c. 1329, s. 3; 1975, c. 300, s. 3.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, added present subdivision (2) and redesignated former subdivisions (2) through (4) as (3) through (5) in subsection (b), and, in present subdivision (5) of subsection (b),

substituted "that" for "which" and inserted "national banking association having its principal place of business in this State or a State."

**§ 28A-8-2. Provisions of bond. —** A bond given pursuant to this Article shall be:

- (1) Payable to the State to the use of all persons interested in the estate; and
- (2) Conditioned that the personal representative giving the bond shall faithfully execute the trust reposed in him and obey all lawful orders of the clerk of superior court or other court touching the administration of the estate committed to him; and
- (3) In an amount not less than:
  - a. One and one-fourth times the value of all personal property of the decedent when the bond is secured by a suretyship bond executed by a corporate surety company authorized by the Commissioner of Insurance to do business in this State, provided that the clerk of superior court, when the value of the personal property to be administered by the personal representative exceeds one hundred thousand dollars (\$100,000), may accept bond in an amount equal to the value of the personal property plus ten percent (10%) thereof; or
  - b. Double the value of all personal property of the decedent when the bond is secured by one of the methods provided in subdivision (4)b, (4)c or (4)d; such value of said personal property to be ascertained by the clerk of superior court by examination, on oath, of the



applicant or of some other person determined by the clerk to be qualified to testify as to its value; and

(4) Secured by one or more of the following:

- a. Suretyship bond executed, at the expense of the estate, by a corporate surety company authorized by the Commissioner of Insurance to do business in this State;
- b. Suretyship bond executed and justified upon oath before the clerk of superior court by two or more sufficient personal sureties each of whom shall reside in and own real estate in North Carolina and shall have assets with an aggregate value above encumbrances of not less than the amount of the penalty of the required bond;
- c. A first mortgage or first deed of trust in form approved by the Administrative Officer of the Courts on real estate located in North Carolina:
  1. Executed by the owner, and conditioned on the performance of the obligations of the bond, and
  2. Containing a power of sale which, in the case of a mortgage, is exercisable by the clerk of superior court upon a breach of any condition thereof, or, in the case of a deed of trust, is exercisable by the trustee after notice by the clerk of superior court that a breach of condition has occurred.

The clerk of superior court shall not accept such mortgage or deed of trust until it shall have been properly registered in the county or counties in which the real estate is located, and the clerk of superior court is satisfied that the real estate subject to the mortgage or deed of trust is worth the amount to be secured thereby, and that the mortgage or deed of trust is a first charge on said real estate. No such mortgage or deed of trust shall be cancelled or surrendered until the approval of the final account, unless substitution is permitted as provided in G.S. 28A-8-3(d).

- d. A deposit by the owner with the clerk of superior court of negotiable securities, of a kind permitted by law to be proper investments for fiduciaries exercising due care, having a fair market value determined by the clerk to be equal to the amount of the penalty of the bond. Such securities shall be properly endorsed, delivered to the clerk of superior court, and accompanied by a security agreement containing a power of sale authorizing the clerk of superior court to sell them in the event the person to whom letters are being issued commits a breach of any duty imposed upon him by law in respect of his office. Such securities shall not be surrendered by the clerk of superior court to the owner until the approval of the final account, unless substitution is permitted as provided in G.S. 28A-8-3(d). For the purposes of determining the value of the assets of the personal sureties in subdivision (4)b, or the value of the real estate in subdivision (4)c, or the value of the negotiable securities in subdivision (4)d, the clerk of superior court may require a certificate of the value of such property by one or more persons not interested in the estate determined by the clerk to be qualified to certify such value. (C. C. P., s. 468; 1870-1, c. 93; Code, s. 1388; Rev., s. 319; C. S., s. 33; 1935, c. 386; 1949, c. 971; 1967, c. 41, s. 1; 1973, c. 1329, s. 3.)

**Husband and Wife Constitute One Surety. —**

See opinion of Attorney General to Honorable Robert G. Jarrett, 42 N.C.A.G. 259 (1973).



**§ 28A-8-3. Modification of bond requirements.** — (a) Increase of Bond or Security in Case of Inadequacy or Insufficiency. — The clerk of superior court may, on his own motion or upon verified application of any person interested in the estate, require the personal representative to give a new bond or to furnish additional security if he finds that the bond filed pursuant to this Article, or its security, is insufficient, inadequate in amount, or that any of the individual sureties has become or is about to become a nonresident or, in the case of a corporate surety, has withdrawn or is about to withdraw from doing business in this State. Before ordering the personal representative to give a new bond or furnish additional security, the clerk of superior court shall issue a citation requiring the personal representative, within 10 days after service thereof, to show cause why such action should not be taken. If the clerk of superior court finds that the bond filed or its security is insufficient or inadequate, he shall make an order requiring the personal representative to give a new bond or to furnish additional security within a reasonable time to be fixed in the order.

(b) Increase of Bond upon Sale of Real Estate. — When a personal representative makes application for an order to sell real estate, the provisions of G.S. 1-339.10 shall govern.

(c) Reduction of Bond. — On application of the personal representative the penalty of the bond may be reduced from time to time when the clerk of superior court finds that such reduction is clearly justified, but in no event shall the penalty of the bond be reduced below the amount required by G.S. 28A-8-2(3).

(d) Substitution of Security. — When a bond is secured by a mortgage or deed of trust on real estate as provided in G.S. 28A-8-2(4)c or a deposit of negotiable securities as provided in G.S. 28A-8-2(4)d, the clerk of superior court may, on application of the personal representative, order that such real estate or negotiable securities, or a part thereof, be released upon the substitution therefor of other security in compliance with G.S. 28A-8-2(4)a, (4)c, or (4)d. Such substitution may be allowed in conjunction with any other modification of bond requirements permitted by this section. (1868-9, c. 113, s. 89; Code, s. 1518; Rev., s. 32; C. S., s. 43; 1973, c. 1329, s. 3.)

**§ 28A-8-4. Failure to give additional bond; letters revoked.** — If any personal representative fails to give an additional bond or new bond or to furnish additional security as ordered by the clerk of superior court pursuant to the provisions of this Article, within the time specified in any such order, the clerk of superior court shall proceed as provided in G.S. 28A-9-2. (1868-9, c. 113, s. 91; Code, s. 1520; Rev., s. 34; C. S., s. 44; 1973, c. 1329, s. 3.)

**§ 28A-8-5. Rights of surety in danger of loss.** — Any surety on the bond of a personal representative who is in danger of loss under his suretyship may file his petition on oath with the clerk of superior court setting forth the facts, and asking that such personal representative be removed from office, or that he be required to give security to indemnify the petitioner against apprehended loss, or that the petitioner be discharged as surety and be released from liability for any future breach of the bond. The clerk of superior court shall thereupon issue a citation to the personal representative, requiring him to answer the petition within 10 days after service thereof. If, upon the hearing, the clerk of superior court determines that the surety is entitled to relief, he may grant the same in such manner as to serve the best interest of the estate. In any event, however, the previous surety shall not be released from liability for any breach of duty by the personal representative occurring prior to the filing of bond with a new surety unless the new surety assumes liability for the earlier breaches. (1868-9, c. 113, s. 90; Code, s. 1519; Rev., s. 33; C. S., s. 41; 1973, c. 1329, s. 3.)



**§ 28A-8-6. Action against obligors on bond of personal representative.** — Any person injured by the breach of any bond given by a personal representative or collector may institute a civil action against one or more of the obligors of the bond and recover such damages as he may have sustained. Any successor personal representative, or any other personal representative of the same decedent, may institute such action on behalf of the persons interested in the estate. Any such action against one or more of the obligors of the bond shall be brought in the name of the State of North Carolina and shall be instituted in the county in which letters were issued to the personal representative or collector, and the clerk of superior court shall give notice of the institution of the action in such manner as he may determine to all other persons shown by his records to be interested in the estate. The bond of the personal representative is not void after the first or any subsequent recovery thereon until the entire penalty is recovered. If the plaintiff fails to prevail, costs may be taxed against the person or persons for whose benefit the action on a personal representative's bond is prosecuted. (1868-9, c. 113, ss. 87, 88; Code, ss. 1516, 1517; Rev., ss. 30, 31; C. S., ss. 40, 42; 1973, c. 1329, s. 3.)

## ARTICLE 9.

### *Revocation of Letters.*

**§ 28A-9-1. Revocation after hearing.** — (a) Grounds. — Letters testamentary, letters of administration, or letters of collection may be revoked after hearing on any of the following grounds:

- (1) The person to whom they were issued was originally disqualified under the provisions of G.S. 28A-4-2 or has become disqualified since the issuance of letters.
- (2) The issuance of letters was obtained by false representation or mistake.
- (3) The person to whom they were issued has violated a fiduciary duty through default or misconduct in the execution of his office, other than acts specified in G.S. 28A-9-2.
- (4) The person to whom they were issued has a private interest, whether direct or indirect, that might tend to hinder or be adverse to a fair and proper administration. The relationship upon which the appointment was predicated shall not, in and of itself, constitute such an interest.

(b) Procedure. — When it appears to the clerk of superior court, on his own motion or upon verified complaint made to him by any person interested in the estate, that any of the grounds set forth in subsection (a) may exist with regard to any personal representative or collector within his jurisdiction, he shall issue citation requiring such personal representative or collector, within 10 days after service thereof, to show cause why his letters should not be revoked. On the return of such citation duly executed, the clerk of superior court shall set the date for a hearing. Notice of the time and date of the hearing shall be given to such persons and in such manner as the clerk of superior court shall determine. If at the hearing the clerk of superior court finds any one of the grounds set forth in subsection (a) to exist, he shall revoke the letters issued to such personal representative or collector. (C. C. P., s. 470; Code, s. 2171; Rev., s. 38; C. S., s. 31; 1921, c. 98; 1953, c. 795; 1973, c. 1329, s. 3.)

**Clerk Has Primary and Original Jurisdiction.** — The clerk of superior court, as probate judge, has exclusive original jurisdiction to hear and decide a motion to remove an administrator for cause. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

A proceeding to remove an executor or administrator is neither a civil action nor a special proceeding. Therefore, § 1-276, which provides that "whenever a civil action or special proceeding begun before the clerk of a superior court is for any ground whatever sent to the



superior court before the judge, the judge has jurisdiction" has no application to probate matters. In re Estate of Lowther, 271 N.C. 345, 156 S.E.2d 693 (1967).

**Res Judicata.** — An adjudication by the clerk that the administratrix theretofore appointed by

him was not the widow of decedent is not res judicata in any other proceeding between the parties which respondent may be entitled to pursue. In re Estate of Lowther, 271 N.C. 345, 156 S.E.2d 693 (1967).

**§ 28A-9-2. Summary revocation.** — (a) Grounds. — Letters testamentary, letters of administration, or letters of collection, shall be revoked by the clerk of superior court without hearing when:

- (1) After letters of administration or collection have been issued, a will is subsequently admitted to probate.
- (2) After letters testamentary have been issued:
  - a. The will is set aside, or
  - b. A subsequent testamentary paper revoking the appointment of the executor is admitted to probate.
- (3) Any personal representative or collector required to give a new bond or furnish additional security pursuant to G.S. 28A-8-3 fails to do so within the time ordered.
- (4) A nonresident personal representative refuses or fails to obey any citation, notice, or process served on him or his process agent.
- (5) A trustee in bankruptcy, liquidating agent, or receiver has been appointed for any personal representative or collector, or any personal representative or collector has executed an assignment for the benefit of creditors.
- (6) A personal representative has failed to file an inventory or an annual account with the clerk of superior court, as required by Article 20 and Article 21 of this Chapter, and proceedings to compel such filing pursuant to G.S. 28A-20-2 or 28A-21-4 cannot be had because service cannot be completed because the personal representative cannot be found.

(b) Procedure. — Upon the occurrence of any of the acts set forth in subsection (a), the clerk of superior court shall enter an order revoking the letters issued to such personal representative or collector and shall cause a copy of the order to be served on him or his process agent. (C. C. P., s. 469; Code, s. 2170; Rev., s. 37; C. S., s. 30; 1973, c. 1329, s. 3; 1975, c. 19, s. 8.)

**Editor's Note.** — The 1975 amendment deleted "and appraisal report" following "inventory" in subdivision (6) of subsection (a).

**§ 28A-9-3. Effect of revocation.** — Upon entry of the order revoking his letters, the authority of the personal representative or collector shall cease. He shall surrender all assets of the estate under his control to his successor, or the remaining personal representative or collector or to the clerk of superior court; and shall file an accounting in the form prescribed by Article 21 of this Chapter. A personal representative or collector whose letters are revoked pursuant to G.S. 28A-9-2(a)(1) or G.S. 28A-9-2(a)(2) shall not thereby incur personal liability for administrative acts performed prior to revocation except as provided in G.S. 28A-13-10. (1973, c. 1329, s. 3.)

**§ 28A-9-4. Appeal; stay effected.** — Any interested person may appeal from the order of the clerk of superior court granting or denying revocation. The procedure shall be the same as in a special proceeding. If the clerk of superior court has revoked the letters, such appeal shall stay the judgment and order of the clerk until the cause is heard and determined upon appeal. (1868-9, c. 113, s. 92; Code, s. 1521; Rev., s. 35; C. S., s. 32; 1973, c. 1329, s. 3.)



**Superior Court May Review Findings of Fact Challenged by Specific Exceptions.** — To say that the superior court has jurisdiction to hear a probate matter only upon an appeal from a final judgment entered below does not mean that the judge can review the record only to ascertain whether there have been errors of law. He also reviews any findings of fact which the appellant has properly challenged by specific exceptions. In re Estate of Lowther, 271 N.C. 345, 156 S.E.2d 693 (1967).

**Jurisdiction of Superior Court is Derivative.** — It is sometimes said that, upon an appeal from an order of the clerk made in the performance of his duties as judge of probate, the jurisdiction of the judge of the superior court is derivative. Such derivative jurisdiction is construed to mean, inter alia (1) that the clerk of the superior court has the sole power in the first instance to determine whether a decedent died testate or intestate, and, if he died testate, whether the paper-writing offered for probate is his will; (2) that proceedings to repeal letters of administration must be commenced before the clerk who issued them in the first instance; and (3) that the judge of the superior court has no

jurisdiction to appoint or remove an administrator or a guardian. In other words, jurisdiction in probate matters cannot be exercised by the judge of the superior court except upon appeal. In re Estate of Lowther, 271 N.C. 345, 156 S.E.2d 693 (1967).

**Hearing De Novo.** — Where the clerk removes an administratrix upon his finding that she was not the widow of the deceased and therefore was not entitled to appointment as a matter of right, and an appeal is taken to the superior court from such order, the superior court, even though its jurisdiction is derivative, hears the matter de novo, and may review the finding of the clerk provided the appellant has properly challenged the finding by specific exception, and may hear evidence and even submit the controverted fact to the jury; but where there is no exception to the finding, the superior court may determine only whether the finding is supported by competent evidence, and if the order is so supported the superior court is without authority to vacate the clerk's judgment and order a jury trial upon the issue. In re Estate of Lowther, 271 N.C. 345, 156 S.E.2d 693 (1967).

**§ 28A-9-5. Interlocutory orders.** — Pending any proceeding or appeal with respect to revocation of letters, the clerk of superior court may enter such interlocutory orders as are necessary to preserve the assets of the estate. (1868-9, c. 113, s. 92; Code, s. 1521; Rev., s. 35; C. S., s. 32; 1973, c. 1329, s. 3.)

**§ 28A-9-6. Appointment of successor to personal representative or collector whose letters have been revoked; when not required.** — Upon the revocation of letters issued to a sole or last surviving personal representative or collector, the clerk of superior court shall appoint another personal representative or collector as provided by G.S. 28A-4-1 to act as his successor. When two or more personal representatives or collectors have qualified, and the letters of one or more personal representatives or collectors are revoked, leaving in office one or more personal representatives or collectors, the appointment of successors shall not be required unless:

- (1) The clerk of superior court determines, in his discretion, that it is in the best interest of the estate to appoint a successor or successors to the personal representatives or collectors whose letters have been revoked, or
- (2) In the case of executors, the will so provides. (1973, c. 1329, s. 3.)

**§ 28A-9-7. Rights and duties devolve on successor.** — After the revocation of letters pursuant to this Article and upon the qualification and appointment of a successor, the substituted personal representative or collector shall succeed to all the powers stated in G.S. 28A-13-7. He shall be subject to all the duties, responsibilities and liabilities of the original personal representative or collector, other than liabilities arising out of the grounds for revocation. (1973, c. 1329, s. 3.)

## ARTICLE 10.

### *Resignation.*

**§ 28A-10-1. Clerk's power to accept resignation.** — The clerk of superior court in the county where a person has been appointed personal representative shall have the power to accept his resignation. (1973, c. 1329, s. 3.)



**§ 28A-10-2. Contents of petition; notice.** — (a) When a personal representative desires to resign his office, he shall file a verified petition in the office of the clerk of the superior court, setting forth:

- (1) The facts relating to his appointment and qualifications;
- (2) The names and residences of all interested persons known to him;
- (3) A full statement of the reasons why the petitioner should be permitted to resign his office; and
- (4) A statement that he has filed with the clerk of superior court his accounts and a record of his conduct of the office.

(b) Notice of the petition for resignation, together with the date and time of the hearing thereon, shall be served upon all interested persons named in the petition in such manner as the clerk of superior court shall determine. (1973, c. 1329, s. 3.)

**§ 28A-10-3. Statement of account; record of conduct.** — When the personal representative files his petition requesting permission to resign his office, he shall also file a verified statement of:

- (1) His accounts since his qualification, or if he has previously filed an account, a statement of his accounts since the date thereof;
- (2) The assets of the estate and their location;
- (3) The debts and liabilities of the estate;
- (4) All facts and circumstances known to him the disclosure of which is necessary for a full and fair assessment of his conduct of the office; and
- (5) All additional facts and circumstances known to him the disclosure of which is necessary for a full and fair understanding of all matters concerning the estate. (1973, c. 1329, s. 3.)

**§ 28A-10-4. Hearing; order.** — The clerk of superior court shall conduct a hearing on the petition not sooner than 10 days nor later than 20 days after notice to interested persons pursuant to G.S. 28A-10-2(b). If the clerk of superior court finds all the accounts proper, including accounts subsequent to the filing of the petition, and determines that the resignation of the personal representative is in the best interest of the estate and can be allowed, the resignation may be approved subject to the provisions of G.S. 28-10-5. Except in cases governed by G.S. 28A-10-8, he shall appoint a successor pursuant to G.S. 28A-4-1. (1973, c. 1329, s. 3.)

**§ 28A-10-5. When resignation becomes effective.** — The resignation shall not become effective until:

- (1) A successor has been duly qualified, unless G.S. 28A-10-8 is applicable; and
- (2) The clerk of superior court is satisfied that the accounts of the personal representative are true and correct; and
- (3) The personal representative has accounted to his successor in full for all assets of the estate, or if pursuant to G.S. 28A-10-8 no successor is appointed, to the remaining personal representative or representatives, and his final account has been filed with and approved by the clerk of superior court. (1973, c. 1329, s. 3.)

**§ 28A-10-6. Appeal; stay effected.** — Any interested person who has appeared at the hearing and objected to the order of the clerk of superior court granting or denying resignation may appeal therefrom. The procedure shall be the same as in a special proceeding. If the clerk of superior court has allowed



the resignation, such appeal shall stay the order of the clerk until the cause is heard and determined upon appeal. (1973, c. 1329, s. 3.)

**§ 28A-10-7. Rights and duties devolve on successor.** — Upon the qualification and appointment of a successor to a personal representative whose resignation has been allowed as provided in G.S. 28A-10-4, the substituted personal representative shall succeed to all the powers stated in G.S. 28A-13-7 and shall also be subject to all the duties, responsibilities, and liabilities stated in Article 13. (1973, c. 1329, s. 3.)

**§ 28A-10-8. When appointment of successor to personal representative who has resigned is not required.** — When two or more personal representatives have qualified, and one or more personal representatives resign pursuant to this Article, leaving in office one or more personal representatives, the appointment of successors shall not be required unless:

- (1) The clerk of superior court determines, in his discretion, that it is in the best interest of the estate to appoint a successor or successors to the personal representative or representatives who have resigned, or
- (2) In the case of executors, the will so provides. (1973, c. 1329, s. 3.)

## ARTICLE 11.

### *Collectors.*

**§ 28A-11-1. Appointment and qualifications of collectors.** — When for any reason other than a situation provided for in Chapter 28B or Chapter 28C entitled "Estates of Absentees in Military Service" and "Estates of Missing Persons" a delay is encountered in the issuance of letters to a personal representative or when, in any case, the clerk of superior court finds that the best interest of the estate would be served by the appointment of a collector, he may issue letters of collection to any person or persons not disqualified to act as a personal representative under G.S. 28A-4-2. (R. C., c. 46, s. 9; C. C. P., s. 463; 1868-9, c. 113, s. 115; Code, s. 1383; Rev., s. 22; C. S., s. 24; 1924, c. 43; 1965, c. 815, s. 2; 1967, c. 24, s. 14; 1973, c. 1329, s. 3.)

**§ 28A-11-2. Oath and bond.** — Every collector shall take an oath as prescribed in G.S. 28A-7-1 and give bond as required in Article 8 of this Chapter for personal representatives. (C. C. P., s. 464; Code, s. 1384; Rev., s. 23; C. S., s. 25; 1973, c. 1329, s. 3.)

**§ 28A-11-3. Duties and powers of collectors.** — (a) Every collector shall:

- (1) Take such possession, custody, or control of the personal property of the decedent as in the exercise of reasonable judgment he deems necessary to its preservation;
- (2) Publish notices to creditors as provided by Article 14 of this Chapter;
- (3) Collect claims payable to the estate;
- (4) Maintain and defend actions in behalf of the estate;
- (5) File inventories, accounts, and other reports in the same manner as is required of personal representatives;
- (6) Renew obligations of the decedent in the same manner as the personal representative is allowed to do under the provisions of Article 13 of this Chapter; and
- (7) Under the express direction and supervision of the clerk of superior court, possess, exercise and perform all other powers, duties and liabilities given to personal representatives by Article 13 of this Chapter. (R. C., c. 46, s. 6; C. C. P., s. 465; 1868-9, c. 113, s. 115; Code, s. 1385; Rev., s. 24; C. S., s. 26; 1973, c. 1329, s. 3.)



**§ 28A-11-4. When collectors' powers cease; settlement of accounts.** — (a) When letters testamentary or letters of administration are issued, or when in any case the clerk of superior court terminates the appointment of the collector, the powers of the collector cease.

(b) Upon the termination of his appointment, the collector shall surrender to the personal representative or to the person otherwise entitled thereto or to the clerk all assets of the estate under his control and shall file with the clerk a verified statement of:

- (1) His accounts since his qualification, or if he has previously filed an account, a statement of his accounts since the date thereof;
- (2) The assets of the estate and their location;
- (3) The debts and liabilities of the estate;
- (4) All facts and circumstances known to him the disclosure of which is necessary for a full and fair assessment of his conduct of the office; and
- (5) All additional facts and circumstances known to him the disclosure of which is necessary for a full and fair understanding of all matters concerning the estate.

(c) The clerk of superior court shall examine the account of the collector and if he finds all of the accounts proper, he shall by order approve the account. (R. C., c. 46, s. 7; C. C. P., s. 466; 1868-9, c. 113, s. 115; Code, s. 1386; Rev., s. 25; C. S., s. 27; 1973, c. 1329, s. 3.)

## ARTICLE 12.

### *Public Administrator.*

**§ 28A-12-1. Appointment and term.** — There shall be a public administrator in every county, appointed by the clerk of superior court, with the written approval of the senior resident superior court judge of the district in which the appointment is made, for a term of four years. (1868-9, c. 113; Code, s. 1389; Rev., s. 18; C. S., s. 17; 1925, c. 253; 1973, c. 1329, s. 3.)

**§ 28A-12-2. Oath of office.** — The public administrator shall take and subscribe an oath or affirmation in the form provided in G.S. 11-11 for administrators and in the manner provided in G.S. 28A-7-1; and the oath or affirmation so taken and subscribed shall be filed in the office of the clerk of superior court. (1868-9, c. 113, ss. 2, 5; Code, s. 1393; Rev., s. 19; C. S., s. 18; 1973, c. 1329, s. 3.)

**§ 28A-12-3. Qualification and bond.** — (a) No appointment as public administrator shall become effective until the appointee has at his own expense entered into bond, secured by any of the methods provided in G.S. 28A-8-2(4), in the penal sum of not less than five thousand dollars (\$5,000) payable to the State of North Carolina, conditioned upon the faithful performance of the duties of his office and obedience to all lawful orders of the clerk of superior court or other court touching the administration of the several estates committed to him.

(b) The public administrator also shall qualify and give bond with regard to each estate administered by him as provided in Article 8 of this Chapter, at the expense of such estate. (1868-9, c. 113, ss. 2, 3, 4; Code, ss. 1390, 1391, 1392; Rev., s. 320; 1915, c. 216; C. S., s. 19; 1941, c. 243; 1973, c. 1329, s. 3.)

**§ 28A-12-4. When public administrator shall apply for letters.** — The public administrator shall apply for and may, with the approval of the clerk of superior court, obtain letters on the estates of decedents when:

- (1) It is brought to his attention that a period of six months has elapsed from the death of any decedent who has died owning property, and no letters



testamentary, or letters of administration or collection, have been applied for or issued to any person; or

- (2) Any person without known heirs shall die intestate owning property; or
- (3) Any person entitled to apply for letters of administration shall, in writing, request the clerk to issue letters to the public administrator as provided in G.S. 28A-5-2(c). (1868-9, c. 113, s. 6; Code, s. 1394; Rev., s. 20; C. S., s. 20; 1973, c. 1329, s. 3.)

**§ 28A-12-5. Powers and duties.** — (a) The public administrator shall have, in respect to the several estates in his hands, all the rights and powers and shall be subject to all the duties and liabilities of other personal representatives.

(b) After the expiration of the term of office of a public administrator or his resignation as public administrator, he shall continue, subject to the provisions of Articles 9 and 10 of this Chapter, to administer the several estates previously committed to him until he has fully administered the same, and his bonds shall continue in effect as to all such estates. (1868-9, c. 113, s. 7; 1876-7, c. 239; Code, s. 1395; Rev., s. 21; C. S., s. 21; 1973, c. 1329, s. 3.)

**§ 28A-12-6. Removal from office.** — If letters of administration issued to the public administrator with respect to any estate are subsequently revoked on the grounds that they were obtained by false representation as provided in G.S. 28A-9-1(a)(2), or on the grounds specified in G.S. 28A-9-1(a)(1), G.S. 28A-9-1(a)(3), G.S. 28A-9-2(a)(3), G.S. 28A-9-2(a)(5), or G.S. 28A-9-2(a)(6) or if he becomes a nonresident of the State, the clerk of superior court shall order the removal of the public administrator from office. (1973, c. 1329, s. 3.)

**§ 28A-12-7. Procedure after removal from office.** — The clerk of superior court shall require of any public administrator who is removed from office pursuant to G.S. 28A-12-6 a complete accounting of all his activities as public administrator and for the property remaining under his control by reason of his appointment under this Article as administrator of any estate that has not been fully administered at the time of his removal. If it appears to the clerk of superior court that grounds exist for revocation of letters of administration issued with respect to any such estate, he shall proceed in accordance with the provisions of Article 9 of this Chapter. If letters of administration are revoked pursuant to such proceedings, the clerk of superior court shall issue letters of administration to the successor public administrator or to some other person not disqualified under G.S. 28A-4-2. (1973, c. 1329, s. 3.)

## ARTICLE 13.

### *Representative's Powers, Duties and Liabilities.*

**§ 28A-13-1. Time of accrual of duties and powers.** — The duties and powers of a personal representative commence upon his appointment. The powers of a personal representative relate back to give acts by the person appointed which are beneficial to the estate occurring prior to appointment the same effect as those occurring thereafter. Prior to appointment, a person named executor in a will may carry out written instructions of the decedent relating to his body, funeral and burial arrangements. A personal representative may ratify and accept acts on behalf of the estate done by others where the acts would have been proper for a personal representative. (1973, c. 1329, s. 3.)

**§ 28A-13-2. General duties; relation to persons interested in estate.** — A personal representative is a fiduciary who, in addition to the specific duties stated in this Chapter, is under a general duty to settle the estate of his decedent as expeditiously and with as little sacrifice of value as is reasonable under all of the circumstances. He shall use the authority and powers conferred upon him



by this Chapter, by the terms of the will under which he is acting, by any order of court in proceedings to which he is party, and by the rules generally applicable to fiduciaries, for the best interests of all persons interested in the estate, and with due regard for their respective rights. (1973, c. 1329, s. 3.)

**§ 28A-13-3. Powers of personal representative.** — (a) Except as qualified by express limitations imposed in a will of the decedent or a court order, and subject to the provisions of G.S. 28A-13-6 respecting the powers of joint personal representatives, a personal representative has the power to perform in a reasonable and prudent manner every act which a reasonable and prudent man would perform incident to the collection, preservation, liquidation or distribution of a decedent's estate so as to accomplish the desired result of settling and distributing the decedent's estate in a safe, orderly, accurate and expeditious manner as provided by law, including but not limited to the powers specified in the following subdivisions:

- (1) To take possession, custody or control of the personal property of the decedent. If in the opinion of the personal representative his possession, custody or control of such property is not necessary for purposes of administration, such property may be left with or surrendered to the heir or devisee presumptively entitled thereto. He has the power to take possession, custody or control of the real property of the decedent if he determines such possession, custody or control is in the best interest of the administration of the estate. Prior to exercising such power over real property the procedure as set out in subsection G.S. 28A-13-3(c) shall be followed. If the personal representative determines that such possession, custody or control is not in the best interest of the administration of the estate such property may be left with or surrendered to the heir or devisee presumptively entitled thereto.
- (2) To retain assets owned by the decedent pending distribution or liquidation even though such assets may include items which are otherwise improper for investment of trust funds.
- (3) To receive assets from other fiduciaries or other sources.
- (4) To complete performance of contracts entered into by the decedent that continue as obligations of his estate, or to refuse to complete such contracts, as the personal representative may determine to be in the best interests of the estate, but such refusal shall not limit any cause of action which might have been maintained against decedent if he had refused to complete such contract. In respect to enforceable contracts by the decedent to convey an interest in land, the provisions of G.S. 28A-17-9 are controlling.
- (5) To deposit, as a fiduciary, funds of the estate in a bank, including a bank operated by the personal representative upon compliance with the provisions of G.S. 36-27.
- (6) To deposit, as a fiduciary, funds of the estate, when such are not needed to meet debts and expenses immediately payable and are not immediately distributable, including moneys received from the sale of other assets, in interest-bearing accounts insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation or to enter into other short-term loan arrangements that may be appropriate for use by trustees or fiduciaries generally.
- (7) To abandon or relinquish all rights in any property when, in the opinion of the personal representative acting reasonably and in good faith, it is valueless, or is so encumbered or is otherwise in such condition that it is of no benefit to the estate.
- (8) To vote shares of stock or other securities in person or by general or limited proxy.



- (9) To pay calls, assessments, and any other sums chargeable or accruing against or on account of securities.
  - (10) To hold shares of stock or other securities in the name of a nominee, without mention of the estate in the instrument representing stock or other securities or in registration records of the issuer thereof; provided, that
    - a. The estate records and all reports or accounts rendered by the personal representative clearly show the ownership of the stock or other securities by the personal representative and the facts regarding its holdings, and
    - b. The nominee shall not have possession of the stock or other securities or access thereto except under the immediate supervision of the personal representative or when such securities are deposited by the personal representative in a clearing corporation as defined in G.S. 25-8-102(3).
- Such personal representative shall be personally liable for any acts or omissions of such nominee in connection with such stock or other securities so held, as if such personal representative had done such acts or been guilty of such omissions.
- (11) To insure, at the expense of the estate, the assets of the estate in his possession, custody or control against damage or loss.
  - (12) To borrow money for such periods of time and upon such terms and conditions as to rates, maturities, renewals, and security as the personal representative shall deem advisable, including the power of a corporate personal representative to borrow from its own banking department, for the purpose of paying debts, taxes, and other claims against the estate, and to mortgage, pledge or otherwise encumber such portion of the estate as may be required to secure such loan or loans. In respect to the borrowing of money on the security of the real property of the decedent, G.S. 28A-17-11 is controlling.
  - (13) To renew obligations of the decedent for the payment of money.
  - (14) To advance his own money for the protection of the estate, and for all expenses, losses and liabilities sustained in the administration of the estate or because of the holding or ownership of any estate assets. For such advances, with any interest, the personal representative shall have a lien on the assets of the estate as against a devisee or heir.
  - (15) To compromise, adjust, arbitrate, sue on or defend, abandon, or otherwise deal with and settle claims in favor of or against the estate.
  - (16) To pay taxes, assessments, his own compensation, and other expenses incident to the collection, care, administration and protection of the assets of the estate in his possession, custody or control.
  - (17) To sell or exercise stock subscription or conversion rights; consent, directly or through a committee or other agent, to the reorganization, consolidation, merger, dissolution, or liquidation of a corporation or other business enterprise.
  - (18) To allocate items of income or expense to either estate income or principal, as permitted or provided by law.
  - (19) To employ persons, including attorneys, auditors, investment advisors, appraisers or agents to advise or assist him in the performance of his administrative duties.
  - (20) To continue any business or venture in which the decedent was engaged at the date of his death, where such continuation is reasonably necessary or desirable to preserve the value, including good will, of the decedent's interest in such business. With respect to the use of the decedent's interest in a continuing partnership, the provisions of G.S. 59-71 and 59-72 qualify this power; and with respect to farming



operations engaged in by the decedent at the time of his death, the provisions of G.S. 28A-13-4 qualify this power.

- (21) To incorporate or participate in the incorporation of any business or venture in which the decedent was engaged at the time of his death.
- (22) To provide for the exoneration of the personal representative from personal liability in any contract entered into on behalf of the estate.
- (23) To maintain actions for the wrongful death of the decedent according to the provisions of Article 18 of this Chapter and to compromise or settle any such claims, whether in litigation or not, provided that any such settlement shall be subject to the approval of a judge of superior court unless all persons who would be entitled to receive any damages recovered under G.S. 28A-18-2(b)(4) are competent adults and have consented in writing. It shall be the duty of the personal representative in distributing the proceeds of such settlement in any instance to take into consideration and to make a fair allocation to those claimants for funeral, burial, hospital and medical expenses which would have been payable from damages which might have been recovered had a wrongful death action gone to judgment in favor of the plaintiff.
- (24) To maintain any appropriate action or proceeding to recover possession of any property of the decedent, or to determine the title thereto; to recover damages for any injury done prior to the death of the decedent to any of his property; and to recover damages for any injury done subsequent to the death of the decedent to such property.
- (25) To purchase at any public or private sale of any real or personal property belonging to the decedent's estate or securing an obligation of the estate as a fiduciary for the benefit of the estate when, in his opinion, it is necessary to prevent a loss to the estate.
- (26) To sell or lease personal property of the estate in the manner prescribed by the provisions of Article 16 of this Chapter.
- (27) To sell or lease real property of the estate in the manner prescribed by the provisions of Article 17 of this Chapter.
- (28) To enter into agreements with taxing authorities to secure the benefit of the federal marital deduction pursuant to G.S. 28A-22-6.
- (29) To pay or satisfy the debts and claims against the decedent's estate in the order and manner prescribed by Article 19 of this Chapter.
- (30) To distribute any sum recovered for the wrongful death of the decedent according to the provisions of G.S. 28A-18-2; and to distribute all other assets available for distribution according to the provisions of this Chapter or as otherwise lawfully authorized.
- (31) To exercise such additional lawful powers as are conferred upon him by the will.
- (32) To execute and deliver all instruments which will accomplish or facilitate the exercise of the powers vested in the personal representative.
- (33) To renounce in accordance with the provisions of Chapter 31B of the General Statutes.

(b) Any question arising out of the powers conferred by subsection (a) above shall be determined in accordance with the provisions of Article 18 of this Chapter.

(c) Prior to the personal representative exercising possession, custody or control over real property of the estate he shall petition the clerk of court to obtain an order authorizing such possession, custody or control. The petition shall include:

- (1) A description of the real property which is the subject of the petition;
- (2) The names, ages, and addresses, if known, of the devisees and heirs of the decedent;



- (3) A statement by the personal representative that he has determined that such possession, custody or control is in the best interest of the administration of the estate.

The devisees and heirs will be made parties to the proceeding by service of summons in the manner prescribed by law. If the clerk of court determines that it is in the best interest of the administration of the estate to authorize the personal representative to take possession, custody or control he shall grant an order authorizing that power. (1973, c. 1329, s. 3; 1975, c. 19, s. 9; c. 371, s. 4.)

**Editor's Note.** — The first 1975 amendment corrected an error in the 1973 act by substituting "G.S. 28A-18-2(b)(4)" for "G.S. 28A-18-2(b)(3)" near the end of the first sentence of subdivision (23) of subsection (a).

The second 1975 amendment, effective Oct. 1, 1975, added subdivision (33) to subsection (a).

**§ 28A-13-4. Continuance of farming operations of deceased persons.** — When any person dies while engaged in farming operations, his personal representative is authorized to continue such farming operations until the end of the current calendar year, and until all crops grown during that year are harvested. The net income from such farming operations shall be personal assets of the estate. Any indebtedness incurred in connection with such farming operations after the date of death shall be preferred over the claims of any heir, legatee, devisee, distributee, general or unsecured creditor of said estate. Nothing herein contained shall limit the powers of a personal representative under the terms of a will. (1935, c. 163; 1973, c. 1329, s. 3.)

**§ 28A-13-5. Personal representatives hold in joint tenancy.** — Any estate or interest in property which becomes vested in two or more personal representatives shall be held by them in joint tenancy with the incident of survivorship. (1868-9, c. 113, s. 74; Code, s. 1502; Rev., s. 166; C. S., s. 172; 1973, c. 1329, s. 3.)

**§ 28A-13-6. Exercise of powers of joint personal representatives by one or more than one.** — (a) As used in this section, the term "personal representatives" includes testamentary trustees.

(b) If a will expressly makes provision for the execution of any of the powers of personal representatives by all of them or by any one or more of them, the provisions of the will govern.

(c) If there is no governing provision in the will, personal representatives may, by written agreement signed by all of them and filed with and approved by the clerk of superior court of the county in which such personal representatives qualified, provide that any one or more of the following powers of personal representatives may be exercised by any designated one or more of them:

- (1) Open bank accounts and draw checks thereon;
- (2) Subject to the provisions of G.S. 105-24, enter any safe-deposit box of the deceased or any safe-deposit box rented by the personal representative or representatives;
- (3) Employ attorneys and accountants;
- (4) List property for taxes and prepare and file State, municipal and county tax returns;
- (5) Collect claims and debts due the estate and give receipts therefor;
- (6) Pay claims against and debts of the estate;
- (7) Compromise claims in favor of or against the estate;
- (8) Have custody of property of the estate.

(d) The voting of corporate shares of stock is governed by the provisions of G.S. 55-69(f).



(e) Subject to the provisions of subsections (b), (c) and (d) of this section, all other acts and duties must be performed by both of the personal representatives if there are two, and by a majority of them if there are more than two.

(f) No personal representative shall be relieved of liability on his bond or otherwise by entering into any agreement under this section. (1959, c. 1160; 1973, c. 1329, s. 3.)

**§ 28A-13-7. Powers and duties of successor personal representative.** — A successor personal representative is one appointed to succeed a personal representative whose appointment has terminated by death, resignation or revocation. Unless a contrary intent clearly appears from the will, a successor personal representative has all the powers and duties, discretionary or otherwise, of the original personal representative. (1973, c. 1329, s. 3.)

**§ 28A-13-8. Powers and duties of administrator with will annexed.** — When an administrator with the will annexed has been appointed, whether or not he is succeeding a previously appointed personal representative, he has the same powers and duties, discretionary or otherwise, as if he had been named executor in the will, unless a contrary intent clearly appears from the will. (C. C. P., s. 468; 1870-1, c. 93; Code, s. 1388; Rev., s. 319; C. S., s. 33; 1935, c. 386; 1949, c. 971; 1967, c. 41, s. 1; 1973, c. 1329, s. 3.)

**§ 28A-13-9. Powers of surviving personal representative.** — When one or more of those nominated as coexecutors in a will is not appointed, or when the appointment of one or more joint personal representatives is terminated, every power granted to such joint personal representatives may be exercised by the surviving representative or representatives; provided that nothing to the contrary appears in the will of a testate decedent. (C. C. P., s. 451; Code, s. 2164; Rev., s. 13; C. S., s. 16; 1931, c. 183; 1953, c. 78, s. 1; 1973, c. 1329, s. 3.)

**§ 28A-13-10. Liability of personal representative.** — (a) **Property of Estate.** — A personal representative shall be liable for and chargeable in his accounts with all of the estate of the decedent which comes into his possession at any time, including all the income therefrom; but he shall not be liable for any debts due to the decedent or other assets of the estate which remain uncollected without his fault. Except for commissions allowable by law, he shall not be entitled to any profits caused by an increase in values, nor be chargeable with loss by a decrease in value or destruction without his fault, of any part of the estate.

(b) **Property Not a Part of Estate.** — A personal representative shall be chargeable in his accounts with property not a part of the estate which comes into his possession at any time and shall be liable to the persons entitled thereto if:

(1) The property was received under a duty imposed on him by law in the capacity of personal representative; or

(2) He has commingled such property with the assets of the estate.

(c) **Breach of Duty.** — A personal representative shall be liable and chargeable in his accounts for any loss to the estate arising from his embezzlement or commingling of the estate with other property; for loss to the estate through self-dealing; for any loss to the estate from wrongful acts or omissions of his joint personal representatives which he could have prevented by the exercise of ordinary care; and for any loss to the estate arising from his failure to act in good faith and with such care, foresight and diligence as an ordinarily reasonable and prudent man would act with his own property under like circumstances. If the exercise of power concerning the estate is improper, the personal representative is liable for breach of fiduciary duty to interested persons for resulting damage or loss to the same extent as a trustee of an express trust. (1973, c. 1329, s. 3; 1975, c. 300, s. 4.)



**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, added "commissions allowable by law" at the beginning of the second sentence of subsection (a).

## ARTICLE 14.

### *Notice to Creditors.*

**§ 28A-14-1. Advertisement for claims.** — Every personal representative and collector within 20 days after the granting of letters shall notify all persons, firms and corporations having claims against the decedent to present the same to such personal representative or collector, on or before a day to be named in such notice, which day must be six months from the day of the first publication or posting of such notice. The notice shall be published once a week for four consecutive weeks in a newspaper qualified to publish legal advertisements, if any such newspaper is published in the county. If there is no newspaper published in the county, but there is a newspaper having general circulation in the county, then at the option of the personal representative, or collector, the notice shall be published once a week for four consecutive weeks in the newspaper having general circulation in the county and posted at the courthouse or the notice shall be posted at the courthouse and four other public places in the county. Personal representatives are not required to publish notice to creditors if the only asset of the estate consists of a claim for damages arising from death by wrongful act. (1868-9, c. 113, s. 29; 1881, c. 278, s. 2; Code, ss. 1421, 1422; Rev., s. 39; C. S., s. 45; 1945, c. 635; 1949, c. 47; c. 63, s. 1; 1955, c. 625; 1961, c. 26, s. 1; c. 741, s. 1; 1973, c. 1329, s. 3.)

**§ 28A-14-2. Proof of advertisement.** — A copy of the advertisement directed by G.S. 28A-14-1 to be posted or published, together with an affidavit or affidavits by one of the persons authorized by G.S. 1-600(a) to make affidavits to the effect that such notice was posted or published in accordance with G.S. 28A-14-1, shall be filed in the office of the clerk of superior court by the personal representative or collector. The copy of the notice together with such affidavit or affidavits shall be deemed a record of the court, and a copy thereof, duly certified by the clerk of superior court, shall be received as prima facie evidence of the fact of publication in all the courts of this State. (1868-9, c. 113, s. 31; Code, s. 1423; Rev., s. 40; C. S., s. 46; 1951, c. 1005, s. 3; 1961, c. 26, s. 2; 1973, c. 1329, s. 3.)

**§ 28A-14-3. Personal notice to creditor.** — The personal representative or collector may cause the notice to be personally served on any creditor. (1868-9, c. 113, s. 32; Code, s. 1424; 1885, c. 96; Rev., s. 41; C. S., s. 47; 1961, c. 741, s. 2; 1973, c. 1329, s. 3.)

## ARTICLE 15.

### *Assets; Discovery of Assets.*

**§ 28A-15-1. Assets of the estate generally.** — (a) All of the real and personal property, both legal and equitable, of a decedent shall be assets available for the discharge of debts and other claims against his estate in the absence of a statute expressly excluding any such property. Provided that before real property is selected the personal representative must determine that such selection is in the best interest of the administration of the estate.

(b) In determining what property of the estate shall be sold, leased, pledged, mortgaged or exchanged for the payment of the debts of the decedent and other claims against his estate, the personal representative shall select the assets which in his judgment are calculated to promote the best interests of the estate.



In the selection of assets for this purpose, there shall be no necessary distinction between real and personal property, absent any contrary provision in the will.

(c) If it shall be determined by the personal representative that it is in the best interest of the administration of the estate to sell, lease, or mortgage any real estate or interest therein to obtain money for the payment of debts and other claims against the decedent's estate, the personal representative shall institute a special proceeding before the clerk of superior court for such purpose pursuant to Article 17 of this Chapter, except that no such proceeding shall be required for a sale made pursuant to authority given by will.

(d) The crops of every deceased person, remaining ungathered at his death, shall, in all cases, belong to the personal representative or collector, as part of the personal assets of the decedent's estate; and shall not pass to the devisee by virtue of any devise of the land, unless such intent be manifest and specified in the will. (1868-9, c. 113, ss. 14, 15; Code, ss. 1406, 1407; Rev., ss. 45, 47; C. S., ss. 52, 54; 1973, c. 1329, s. 3; 1975, c. 300, s. 5.)

**Editor's Note.** — The 1975 amendment, shall be required for a sale made pursuant to effective Oct. 1, 1975, added at the end of authority given by will." subsection (c) "except that no such proceeding

**§ 28A-15-2. Title and possession of property.** — (a) **Personal Property.** — Subsequent to the death of the decedent and prior to the appointment and qualification of the personal representative or collector, the title and the right of possession of personal property of the decedent is vested in his heirs; but upon the appointment and qualification of the personal representative or collector, the heirs shall be divested of such title and right of possession which shall be vested in the personal representative or collector relating back to the time of the decedent's death for purposes of administering the estate of the decedent. But, if in the opinion of the personal representative, his possession, custody and control of any item of personal property is not necessary for purposes of administration, such possession, custody and control may be left with or surrendered to the heir or devisee presumptively entitled thereto.

(b) **Real Property.** — The title to real property of a decedent is vested in his heirs as of the time of his death; but the title to real property of a decedent devised under a valid probated will becomes vested in the devisees and shall relate back to the decedent's death, subject to the provisions of G.S. 31-39. (1973, c. 1329, s. 3.)

**§ 28A-15-3. Nonexoneration of encumbered property.** — When real or personal property subject to any lien or security interest, except judgment liens, is specifically devised, the devisee takes the property subject to the encumbrance and without a right to have other assets of the decedent applied to discharge the secured obligation, unless an express provision of the will confers such right of exoneration. A general testamentary direction to pay the debts of the decedent is not sufficient to confer such right. (1973, c. 1329, s. 3.)

**§ 28A-15-4. Encumbered assets.** — When any assets of the estate are encumbered by mortgage, pledge, lien or other security interest, the personal representative may pay the encumbrance or any part thereof, renew or extend any obligation secured by the encumbrance, or convey or transfer the encumbered assets to the creditor in satisfaction of his lien, in whole or in part, whether or not the holder of the encumbrance has filed a claim, if it appears to be for the best interest of the estate; provided that payment of an encumbrance shall not increase the share of the distributee entitled to the encumbered assets unless the distributee is entitled to exoneration by express provisions of the will. (1973, c. 1329, s. 3.)



**§ 28A-15-5. Order in which assets appropriated; abatement.** — (a) General Rules. — In the absence of testamentary indication as to the order of abatement, or some other controlling statute, shares of devisees and of heirs abate, without any preference or priority as between real and personal property, in the following order:

- (1) Property not disposed of by the will;
- (2) Residuary devisees;
- (3) General devisees;
- (4) Specific devisees.

For purposes of abatement, a demonstrative devise of money or property payable out of or charged on a particular fund or other property is treated as a specific devise; but if the particular fund or property out of which the demonstrative devise is to be paid is nonexistent or insufficient at the death of the testator, the deficiency is to be payable out of the general estate of the decedent and is to be regarded as a general devise and must abate pro rata with other general devisees. Abatement within each classification is in proportion to the amounts of property each of the beneficiaries would have received, had full distribution of the property been made in accordance with the terms of the will.

(b) Abatement; Sales; Contribution. — When property which has been specifically devised is sold, leased, or mortgaged, or a security therein is created, by the personal representative, abatement shall be achieved by ratable adjustments in, or contributions from other interest in the remaining assets. The clerk of superior court shall, at the time of the hearing on the petition for final distribution, determine the amounts of the respective contributions and whether the same shall be made before distribution or shall constitute a lien on specific property which is distributed. (1973, c. 1329, s. 3.)

**§ 28A-15-6. Federal income tax refunds — joint returns.** — Upon the determination by the United States Treasury Department of an overpayment of income tax by a married couple filing a joint federal income tax return, one of whom has died since the filing of such return or where a joint federal income tax return is filed on behalf of a husband and wife, one of whom has died prior to the filing of the return, any refund of the tax by reason of such overpayment, if not in excess of five hundred dollars (\$500.00), shall be the sole and separate property of the surviving spouse. In the event that both spouses are dead at the time such overpayment is determined, such refund, if not in excess of five hundred dollars (\$500.00), shall be the sole and separate property of the estate of the spouse who died last and may be paid directly by the Treasury Department to the executor or administrator of such estate, or to the person entitled to the possession of the assets of a small estate pursuant to the provisions of Article 25 of this Chapter. (1955, c. 720; 1957, c. 986; 1973, c. 1329, s. 3.)

**§ 28A-15-7. Federal income tax refunds — separate returns.** — Upon the determination by the United States Treasury Department of an overpayment of income tax by any married person filing a separate return, any refund of the tax by reason of such overpayment, if not in excess of two hundred fifty dollars (\$250.00), exclusive of interest, shall be the sole and separate property of the surviving spouse, and the United States Treasury Department may pay said sum directly to such surviving spouse, and such payment to the extent thereof shall operate as a complete acquittal and discharge of the United States Treasury Department. (1961, c. 643; 1973, c. 1329, s. 3.)

**§ 28A-15-8. State income tax returns.** — Upon the determination by the Commissioner of Revenue of North Carolina of an overpayment of income tax by any married person, any refund of the tax by reason of such overpayment, if not in excess of two hundred dollars (\$200.00) exclusive of interest, shall be the sole and separate property of the surviving spouse, and said Commissioner of Revenue may pay said sum directly to such surviving spouse, and such



payment to the extent thereof shall operate as a complete acquittal and discharge of the Commissioner of Revenue. (1961, c. 735; 1973, c. 1329, s. 3.)

**§ 28A-15-9. Excess funds.** — If the amount of any refund exceeds the sums specified in G.S. 28A-15-6, G.S. 28A-15-7 or G.S. 28A-15-8, the sums specified therein and one half of any additional sums shall be the sole and separate property of the surviving spouse. The remaining one half of such additional sums shall be the property of the estate of the decedent spouse. (1973, c. 1329, s. 3.)

**§ 28A-15-10. Assets of decedent's estate for limited purposes.** — (a) When needed to satisfy claims against a decedent's estate, assets may be acquired by a personal representative or collector from the following sources:

- (1) Tentative trusts created by the decedent in savings accounts for other persons;
- (2) Gifts causa mortis made by the decedent;
- (3) Joint deposit accounts with right of survivorship created by decedent pursuant to the provisions of G.S. 41-2.1 or otherwise; and joint tenancies with right of survivorship created by decedent in corporate stocks or other investment securities.

Such assets shall be acquired solely for the purpose of satisfying such claims, however, and shall not be available for distribution to heirs or devisees.

(b) Where there are not sufficient personal and real assets of the decedent to satisfy all the debts and other claims against his estate, the personal representative shall have the right to sue for and recover any and all personal property or real property, or interest therein, which the decedent may in any manner have transferred or conveyed with intent to hinder, delay, or defraud his creditors, and any personal property or real property, or interest therein, so recovered shall constitute assets of the estate in the hands of the personal representative for the payment of debts and other claims against the estate of the decedent. But if the alienee has sold the personal property or real property, or interest therein, so fraudulently acquired by him from the decedent to a bona fide purchaser for value without notice of the fraud, then such personal property or real property, or interest therein, may not be recovered from such bona fide purchaser but the fraudulent alienee shall be liable to the personal representative for the value of the personal property or real property, or interest therein, so acquired and disposed of to a bona fide purchaser. If the whole recovery from the fraudulent alienee shall not be necessary for the payment of the debts and other claims against the estate of the decedent, the surplus shall be returned to such fraudulent alienee or his assigns.

(c) Where there has been a recovery in an action for wrongful death, the same shall not be applied to the payment of debts and other claims against the estate of decedent or devisees, except as to the payment of reasonable burial and funeral expenses and reasonable hospital and medical expenses incident to the injury resulting in death and as limited and provided in G.S. 28-18-2. (1973, c. 1329, s. 3.)

**§ 28A-15-11. Debt due from personal representative not discharged by appointment.** — The appointment of any person as personal representative does not discharge any debt or demand due from such person to the decedent. (1868-9, c. 113, s. 40; Code, s. 1431; Rev., s. 51; C. S., s. 58; 1973, c. 1329, s. 3.)

**§ 28A-15-12. Examination of persons or corporations believed to have possession of property of decedent.** — (a) Whenever a personal representative or collector makes oath or affirmation before the clerk of superior court of the county where the party to be examined resides or does business that he has reasonable ground to believe, setting forth the grounds of his belief, that any person, firm or corporation has in his or its possession any property of any kind belonging to the estate of his decedent, the clerk shall issue a notice to be served



upon the person or any member of the firm or officer, agent or employee of the firm or corporation designated in the affidavit, to appear before the clerk at his office at a time fixed in the notice, not less than three days after the issuance of the notice, and be examined under oath by the personal representative or collector or his attorney concerning the possession of such property. If upon examination the clerk of superior court finds that the person examined or the firm or corporation for which he works has in his or its possession any property belonging solely to the decedent, and fails to show any satisfactory reason for retaining possession of the property, the clerk shall issue an order requiring the person, firm or corporation forthwith to deliver the property to said personal representative or collector and may enforce compliance with the order by proceedings as for contempt of court: Provided, that in the case of a firm or corporation, whenever any person other than a partner or executive officer of such firm or corporation is examined, no such order shall be made until at least three days after service of notice upon a partner or executive officer of such firm or corporation to show cause why such order should not be made.

(b) Any person aggrieved by the order of the clerk of superior court may, within five days, appeal to the judge holding the next session of superior court of the county after the order is made or to the resident judge of the district, but as a condition precedent to his appeal he shall give a justified bond in a sum at least double the value of the property in question, conditioned upon the safe delivery of the property and the payment of damages for its detention, to the personal representative or collector in the event that the order of the clerk should be finally sustained. When the bond is executed and delivered to the court, no attachment as for contempt shall be served upon the appealing party and any contempt order theretofore issued shall be stayed; but if the appellant fails to have his appeal heard at the next session of superior court held in his county, or by the resident judge of the district within 30 days after giving notice, the appeal shall be deemed abandoned, and the stay of any contempt order theretofore issued shall terminate.

(c) The party against whom the final judgment is rendered shall be adjudged to pay the costs of the proceedings hereunder.

(d) The remedies provided in this section shall not be exclusive, but shall be in addition to any remedies which are now or may hereafter be provided. (1937, c. 209, s. 1; 1973, c. 1329, s. 3.)

**This section provides a quick and immediate remedy by which a personal representative may examine any party if he has reasonable grounds to believe a person, firm or corporation has possession of any property belonging to the estate.** State v. Jessup, 279 N.C. 108, 181 S.E.2d 594 (1971).

**Such remedy is in addition to other remedies.** State v. Jessup, 279 N.C. 108, 181 S.E.2d 594 (1971).

**And it is for the purpose of discovery and recovery without waiting for the slower**

**process of a suit in the superior court.** State v. Jessup, 279 N.C. 108, 181 S.E.2d 594 (1971).

**The clerk may force delivery or attach for contempt for failure to deliver.** State v. Jessup, 279 N.C. 108, 181 S.E.2d 594 (1971).

**One who takes and refuses to account to the personal representative becomes a trustee for the benefit of the estate and subject to the penalties provided for breach of trust.** State v. Jessup, 279 N.C. 108, 181 S.E.2d 594 (1971).

## ARTICLE 16.

### *Sales or Leases of Personal Property.*

**§ 28A-16-1. Sales or leases without court order.** — (a) A personal representative has the power to sell, at either a public or private sale, or to lease, personal property of the decedent without a court order.

(b) A personal representative who sells or leases personal property of the decedent without a court order is not required to file a special report or have



the transaction confirmed by the clerk of superior court, or to follow any of the procedure set forth in Article 29A of Chapter 1 of the General Statutes, entitled "Judicial Sales," but shall include in his next account, either annual or final, a record of the receipts and disbursements incident to the transaction. (1868-9, c. 113, s. 16; Code, s. 1408; Rev., s. 62; C. S., s. 66; 1973, c. 1329, s. 3; 1975, c. 300, s. 6.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, inserted "at either a public or private sale" near the middle of subsection (a)

and deleted the same language at the end of that subsection. The amendment also inserted "to" preceding "lease" in subsection (a).

**§ 28A-16-2. Sales or leases by court order.** — (a) All sales or leases of personal property of the decedent by a collector shall be made only upon order obtained, by motion, from the clerk of superior court.

(b) A personal representative may, if he so desires, request the clerk of superior court to issue to him an order to sell or lease personal property of the decedent.

(c) Sales or leases of personal property of the decedent held pursuant to court order shall be conducted as provided in Article 29A of Chapter 1 of the General Statutes, entitled "Judicial Sales."

(d) A personal representative may, for his own benefit, purchase or lease personal property belonging to the decedent at a public sale conducted under an order of the clerk of superior court, if the transaction is reported to the clerk of superior court and confirmed by him. (1868-9, c. 113, s. 17; Code, s. 1409; Rev., s. 61; C. S., s. 67; 1949, c. 719, s. 2; 1973, c. 1329, s. 3.)

**§ 28A-16-3. Sales of household furnishings.** — If the decedent is survived by a spouse, no sale or lease shall be made of the household furnishings in the usual dwelling house occupied by the surviving spouse at the time of the death of the deceased spouse, if such dwelling house was owned by the deceased spouse at the time of his or her death, until the expiration of the time limits set forth in G.S. 29-30(c) for the filing by the surviving spouse of an election in regard to the property of the decedent. (1973, c. 1329, s. 3.)

## ARTICLE 17.

### *Sales, Leases or Mortgages of Real Property.*

**§ 28A-17-1. Sales of real property.** — Pursuant to authority contained in G.S. 28A-15-1 the personal representative may, at any time, apply to the clerk of superior court of the county where the decedent's real property or some part thereof is situated, by petition, to sell such real property for the payment of debts and other claims against the decedent's estate. (1868-9, c. 113, s. 42; Code, s. 1436; Rev., s. 68; C. S., s. 74; 1923, c. 55; 1935, c. 43; 1937, c. 70; 1943, c. 637; 1949, c. 719, s. 2; 1955, c. 302, s. 1; 1959, c. 879, s. 7; 1963, c. 291, s. 1; 1973, c. 1329, s. 3.)

**§ 28A-17-2. Contents of petition for sale.** — The petition to sell real property shall include:

- (1) A description of the real property and interest therein sought to be sold;
- (2) The names, ages and addresses, if known, of the devisees and heirs of the decedent.
- (3) A statement that the personal representative has determined that it is in the best interest of the administration of the estate to sell the real property sought to be sold. (1868-9, c. 113, s. 43; Code, s. 1437; Rev., s. 77; C. S., s. 79; 1973, c. 1329, s. 3.)



**§ 28A-17-3. Petition for partition.** — When it is alleged that the real property of the decedent sought to be sold consists in whole or in part of an undivided interest in real property, the personal representative of the decedent may include, in the petition to sell the real property for the payment of debts and other claims against the decedent's estate, a request for partition of the lands sought to be sold. (1868-9, c. 113, s. 42; Code, s. 1436; Rev., s. 68; C. S., s. 74; 1923, c. 55; 1935, s. 43; 1937, c. 70; 1943, c. 637; 1949, c. 719, s. 2; 1955, c. 302, s. 1; 1959, c. 879, s. 7; 1963, c. 291, s. 1; 1973, c. 1329, s. 3.)

**§ 28A-17-4. Heirs and devisees necessary parties.** — No order to sell real property shall be granted until the heirs and devisees of the decedent have been made parties to the proceeding by service of summons in the manner required by law. Upon such service, the court shall appoint a guardian ad litem for heirs and devisees who are unknown or whose addresses are unknown, and summons shall issue to him as such. The guardian ad litem shall file answer for such heirs and devisees and defend for them, and he shall be paid such sum as the court may fix, to be paid as costs of the proceeding. (1868-9, c. 113, s. 44; Code, s. 1438; Rev., s. 74; C. S., s. 80; Ex. Sess. 1924, c. 3, s. 1; 1973, c. 1329, s. 3; 1975, c. 300, s. 7.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, substituted "heirs and devisees" for "heirs or devisees" in three places.

**§ 28A-17-5. Property subject to sale; conveyance by deceased in fraud of creditors.** — The real property subject to sale under this Article shall include real property recovered from a fraudulent alienee pursuant to G.S. 28A-15-10(b). (1868-9, c. 113, s. 51; Code, s. 1446; Rev., s. 72; C. S., s. 77; 1973, c. 1329, s. 3.)

**§ 28A-17-6. Adverse claimant to be heard; procedure.** — When the real property sought to be sold, or any interest therein, is claimed by another person, such claimant may be made a party to the proceeding, and in any event may become a party upon his own motion. When an issue of law or fact is joined between the parties, the procedure shall be as prescribed for other special proceedings. (1868-9, c. 113, ss. 46, 47; Code, ss. 1440, 1441; Rev., ss. 76, 78; C. S., ss. 81, 82; 1973, c. 1329, s. 3.)

**§ 28A-17-7. Order granted if petition not denied; public or private sale; procedure for sale.** — If, by default or admission, the allegations in the petition are not controverted, the clerk of superior court may summarily order a sale. The procedure for the sale shall be as is provided in Article 29A of Chapter 1 of the General Statutes, entitled "Judicial Sales." If it is made to appear to the clerk by petition and by satisfactory proof that it will be for the best interest of the estate to sell by private sale, the clerk may authorize a private sale in accordance with the provisions of G.S. 1-339.33 through G.S. 1-339.40. (1868-9, c. 113, s. 48; Code, s. 1443; Rev., s. 79; C. S., s. 83; 1949, c. 719, s. 2; 1973, c. 1329, s. 3.)

**§ 28A-17-8. Under power in will, sales public or private.** — Sales of real property made pursuant to authority given by will may be either public or private, unless the will otherwise directs, and may be on such terms as in the opinion of the personal representative are most advantageous to those interested in the decedent's estate. (1868-9, c. 113, s. 75; Code, s. 1503; Rev., s. 84; C. S., s. 89; 1973, c. 1329, s. 3.)



**§ 28A-17-9. Death of vendor under contract; representative to convey.** — When any decedent has contracted to sell any real property and has given bond or other enforceable written contract to the purchaser to convey the same, his personal representative may execute and deliver a deed to such real property and such deed shall convey the title as fully as if it had been executed and delivered by the decedent. No deed shall be made unless the purchaser complies with the terms of the bond or other written contract. If the contract for conveyance requires the giving of a warranty deed, the deed given by the personal representative shall contain such warranties as required by the contract and the warranties shall be binding on the estate and not on the personal representative personally. (1868-9, c. 113, s. 65; 1874-5, c. 251; Code, s. 1492; Rev., s. 83; C. S., s. 91; 1973, c. 1329, s. 3.)

**§ 28A-17-10. Title in personal representative for estate; he or successor to convey.** — When real property is conveyed to a personal representative for the benefit of the estate he represents, he or any successor personal representative may sell and convey it upon such terms as he may deem just and for the advantage of the estate. The procedure shall be as is provided in Article 29A of Chapter 1 of the General Statutes, entitled "Judicial Sales." If it is made to appear to the clerk of superior court by petition and by satisfactory proof that it will be for the best interest of the estate to sell by private sale, the clerk may authorize a private sale in accordance with the provisions of G.S. 1-339.33 through G.S. 1-339.40. (1905, c. 342; Rev., s. 71; C. S., s. 92; 1949, c. 719, s. 2; 1973, c. 1329, s. 3.)

**§ 28A-17-11. Personal representative may lease or mortgage.** — In lieu of asking for an order of sale of real property, the personal representative may request the clerk of superior court to issue to him an order to lease or to mortgage real property of the decedent. The clerk of superior court is authorized to issue an order to lease or mortgage on such terms as he deems to be in the best interest of the estate. (1973, c. 1329, s. 3.)

**§ 28A-17-12. Sale, lease or mortgage of real property by heirs or devisees.** — (a) If the first publication or posting of the general notice to creditors as provided for in G.S. 28A-14-1 occurs within two years after the death of the decedent:

- (1) All sales, leases or mortgages of real property by heirs or devisees of any resident or nonresident decedent made after the death of the decedent and before the first publication or posting of the general notice to creditors are void as to creditors and personal representatives; and
- (2) All sales, leases or mortgages of real property by heirs or devisees of any resident or nonresident decedent made after such first publication or posting and before approval of the final account shall be void as to creditors and personal representatives unless the personal representative joins in the sale, lease or mortgage and the transaction is approved by the clerk of superior court. Approval of the clerk must appear in the deed, lease or mortgage, accompanied by a statement that he has made a finding that the transaction will not prejudice the payment of any valid claim against the estate.

(b) If the first publication or posting of the general notice to creditors as provided for in G.S. 28A-14-1 does not occur within two years after the death of the decedent, all sales, leases or mortgages of real property by heirs or devisees of any resident or nonresident decedent shall be valid as to creditors and personal representatives of the decedent. (1973, c. 1329, s. 3.)



**§ 28A-17-13. Prior validating acts.** — Chapter 70 of the Public Laws of 1923, Chapter 48 of the Public Laws of 1925, Chapter 146 of the Public Laws of 1931, and Chapters 31 and 381 of the Public Laws of 1935, all validating certain prior sales of real property by executors or administrators and heretofore codified as G.S. 28-100 through 28-104, shall remain in full force and effect, though no longer carried forward as part of the General Statutes. (1973, c. 1329, s. 3.)

## ARTICLE 18.

### *Actions and Proceedings.*

#### **§ 28A-18-1. Survival of actions to and against personal representative. —**

(a) Upon the death of any person, all demands whatsoever, and rights to prosecute or defend any action or special proceeding, existing in favor of or against such person, except as provided in subsection (b) hereof, shall survive to and against the personal representative or collector of his estate.

(b) The following rights of action in favor of a decedent do not survive:

- (1) Causes of action for libel and for slander, except slander of title;
- (2) Causes of action for false imprisonment;
- (3) Causes of action where the relief sought could not be enjoyed, or granting it would be nugatory after death. (1868-9, c. 113, ss. 63, 64; Code, ss. 1490, 1491; Rev., ss. 156, 157; 1915, c. 38; C. S., ss. 159, 162; 1965, c. 631; 1973, c. 1329, s. 3.)

**Editor's Note.** — For article on recent developments in North Carolina tort law, see 48 N.C.L. Rev. 791 (1970).

**Right to Retain Attorney.** — Until a personal representative is appointed for an estate, no one has the right to retain an attorney to represent the estate. In re Alston, 10 N.C. App. 46, 177 S.E.2d 745 (1970).

**The decedent's personal representative is the proper party plaintiff** in a wrongful death action. *Brendle v. General Tire & Rubber Co.*, 408 F.2d 116 (4th Cir. 1969).

**There is a surviving cause of action for predeath expenses and pain and suffering.** *Brendle v. General Tire & Rubber Co.*, 408 F.2d 116 (4th Cir. 1969).

An injured person's common-law right of action to recover damages for hospital and medical expenses and for pain and suffering

caused by the negligence of another survives to the injured party's personal representative. *Bowen v. Constructors Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

**The right of a ward to sue his guardian for lack of diligence** in the care of the estate survives to the ward's administrator. *Kuykendall v. Proctor*, 270 N.C. 510, 155 S.E.2d 293 (1967).

An action brought by the administrator of a ward's estate against the guardian to recover money lost because of lack of diligence by the guardian is not one for relief which could not be enjoyed, or the granting of which would be nugatory after death, so as to fall within the class specified in subdivision (3) of subsection (b). *Kuykendall v. Proctor*, 270 N.C. 510, 155 S.E.2d 293 (1967).

**§ 28A-18-2. Death by wrongful act of another; recovery not assets. — (a)** When the death of a person is caused by a wrongful act, neglect or default of another, such as would, if the injured person had lived, have entitled him to an action for damages therefor, the person or corporation that would have been so liable, and his or their personal representatives or collectors, shall be liable to an action for damages, to be brought by the personal representative or collector of the decedent; and this notwithstanding the death, and although the wrongful act, neglect or default, causing the death, amounts in law to a felony. The amount recovered in such action is not liable to be applied as assets, in the payment of debts or legacies, except as to burial expenses of the deceased, and reasonable hospital and medical expenses not exceeding five hundred dollars (\$500.00) incident to the injury resulting in death; provided that all claims filed for such services shall be approved by the clerk of the superior court and any



party adversely affected by any decision of said clerk as to said claim may appeal to the superior court in term time, but shall be disposed of as provided in the Intestate Succession Act.

(b) Damages recoverable for death by wrongful act include:

- (1) Expenses for care, treatment and hospitalization incident to the injury resulting in death;
- (2) Compensation for pain and suffering of the decedent;
- (3) The reasonable funeral expenses of the decedent;
- (4) The present monetary value of the decedent to the persons entitled to receive the damages recovered, including but not limited to compensation for the loss of the reasonably expected:
  - a. Net income of the decedent,
  - b. Services, protection, care and assistance of the decedent, whether voluntary or obligatory, to the persons entitled to the damages recovered,
  - c. Society, companionship, comfort, guidance, kindly offices and advice of the decedent to the persons entitled to the damages recovered;
- (5) Such punitive damages as the decedent could have recovered had he survived, and punitive damages for wrongfully causing the death of the decedent through maliciousness, wilful or wanton injury, or gross negligence;
- (6) Nominal damages when the jury so finds.

(c) All evidence which reasonably tends to establish any of the elements of damages included in subsection (b), or otherwise reasonably tends to establish the present monetary value of the decedent to the persons entitled to receive the damages recovered, is admissible in an action for damages for death by wrongful act.

(d) In all actions brought under this section the dying declarations of the deceased shall be admissible as provided for in G.S. 8-51.1. (R. C., c. 1, s. 10; c. 46, ss. 8, 9; 1868-9, c. 113, ss. 70-72, 115; Code, ss. 1498-1500; Rev., ss. 59, 60; 1919, c. 29; C. S., ss. 160, 161; 1933, c. 113; 1951, c. 246, s. 1; 1959, c. 879, s. 9; c. 1136; 1973, c. 464, s. 2; c. 1329, s. 3.)

I. In General.

II. Limitation of the Action.

III. Parties to the Action.

IV. Distribution of Recovery.

V. Damages Recoverable.

## I. IN GENERAL.

**Cross Reference.** — For present statute as to admissibility of dying declarations in civil and criminal proceedings, see § 8-51.1.

**Editor's Note.** — For article on recent developments in North Carolina tort law, see 48 N.C.L. Rev. 791 (1970). For article on the 1969 amendments to the North Carolina wrongful death statute, see 6 Wake Forest Intra. L. Rev. 211 (1970). For note on choice of law rules in North Carolina, see 48 N.C.L. Rev. 243 (1970). For note on the wife's right to husband's consortium, see 47 N.C.L. Rev. 1006 (1969). For comment on new North Carolina wrongful death statute, see 48 N.C.L. Rev. 594 (1970). For comment on wrongful death damages in North Carolina, see 44 N.C.L. Rev. 402 (1966). For case law survey as to damages, see 44 N.C.L. Rev. 993 (1966). For note on parent-child tort immunity, see 44 N.C.L. Rev. 1169 (1966).

Stetson v. Easterling, 274 N.C. 152, cited in the note below, was commented on in 47 N.C.L. Rev. 280 (1968).

Greene v. Nichols, 274 N.C. 18, cited in the note below, was commented on in 47 N.C.L. Rev. 281 (1968).

**Constitutionality.** — Subsection (b)(4) is not unconstitutionally vague and therefore violative of N.C. Const., Art. I, § 19. *Bowen v. Constructors Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

**History of Subsection (b).** — See *Bowen v. Constructors Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

**Section Creates New Cause of Action.** — The wrongful death statute confers a new right of action which did not exist before the statute and which at the death of an injured person accrued to the personal representative of the decedent for the benefit of a specific class of beneficiaries.



*Crawford v. Hudson*, 3 N.C. App. 555, 165 S.E.2d 557 (1969).

**At common law there was no right of action for wrongful death.** Such right of action exists only by virtue of this section. *Horney v. Meredith Swimming Pool Co.*, 267 N.C. 521, 148 S.E.2d 554 (1966).

At common law no right of action for wrongful death exists. It exists in North Carolina solely by statute. *Miller v. Perry*, 307 F. Supp. 633 (E.D.N.C. 1969).

A right of action for wrongful death did not exist at common law. Such right of action is conferred by statute and exists only by virtue of this section. *Skinner v. Whitley*, 281 N.C. 476, 189 S.E.2d 230 (1972).

**Such Right Is Purely Statutory.** — The right of action for wrongful death is purely statutory. *Young v. Marshburn*, 10 N.C. App. 729, 180 S.E.2d 43 (1971).

In North Carolina the right of action to recover damages for wrongful death exists only by virtue of this statute. *Gay v. Thompson*, 266 N.C. 394, 146 S.E.2d 425 (1966).

Actions for wrongful death are creatures of statute. *Reeves v. Hill*, 272 N.C. 352, 158 S.E.2d 529 (1968).

The right of action for wrongful death exists only by virtue of this section, which defines the right of action, and the basis on which damages may be recovered. *Stetson v. Easterling*, 274 N.C. 152, 161 S.E.2d 531 (1968).

**For case construing "person" in former § 28-173 to mean one who has become recognized as a person by being born alive**, see *Cardwell v. Welch*, 25 N.C. App. 390, 213 S.E.2d 382 (1975).

**For case calling for legislative action under former § 28-173 if it was intended that wrongful death statute include unborn fetuses**, see *Cardwell v. Welch*, 25 N.C. App. 390, 213 S.E.2d 382 (1975).

**Citizenship of Beneficiaries Is Controlling for Diversity Purposes.** — When a resident ancillary administrator is required to represent the interests of noncitizen beneficiaries by virtue of the laws of the state in which the claim arose, and his duties are as limited as those imposed upon him by this section, the citizenship of the beneficiaries is controlling for diversity purposes. *Miller v. Perry*, 456 F.2d 63 (4th Cir. 1972).

**The citizenship of the administrator does not defeat diversity jurisdiction in an action under this section brought by a North Carolina ancillary administrator against North Carolina defendants to recover for the death of a nonresident for the benefit of nonresident distributees.** *Miller v. Perry*, 456 F.2d 63 (4th Cir. 1972).

**Noncitizen Entitled to Federal Forum.** — Diversity jurisdiction exists for the protection of the noncitizen who is obliged to sue or to be sued in the state of his adversary. It is for that reason

that state statutes or decisions that require a noncitizen to appoint an in-state representative should not have the effect of depriving the noncitizen of the federal forum that Congress has provided him. *Miller v. Perry*, 456 F.2d 63 (4th Cir. 1972).

**This section contemplates only one cause of action**, and when the action is brought by the personal representative, the judgment is conclusive on other persons, and the right given by the statute is exhausted. *Kendrick v. Cain*, 272 N.C. 719, 159 S.E.2d 33 (1968).

**What Plaintiff Must Show.** — Plaintiff must show failure on part of defendant to exercise proper care in performance of some legal duty which the defendant owed plaintiff's testator under the circumstances in which they were placed, and that such negligent breach of duty was the proximate cause of injury which produced death — a cause that produced the result in continuous sequence, and without which it would not have occurred, and one from which any man of ordinary prudence could have foreseen that such result was probable under the existing facts. *Harris v. Wright*, 268 N.C. 654, 151 S.E.2d 563 (1966).

**Negligence Alone Does Not Create Cause of Action.** — Negligence alone, without pecuniary injury resulting from such death, does not create a cause of action. *Gay v. Thompson*, 266 N.C. 394, 146 S.E.2d 425 (1966); *Harris v. Wright*, 268 N.C. 654, 151 S.E.2d 563 (1966); *Stetson v. Easterling*, 274 N.C. 152, 161 S.E.2d 531 (1968); *Bowen v. Constructors Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

**The right of action for wrongful death is limited** to such as would, if the injured party had lived, have entitled him to an action for damages therefor. *Stetson v. Easterling*, 274 N.C. 152, 161 S.E.2d 531 (1968).

**This section controls over the provisions of the Workmen's Compensation Act**, § 97-1 et seq. *Byers v. North Carolina State Highway Comm'n*, 3 N.C. App. 139, 164 S.E.2d 535 (1968).

**The Workmen's Compensation Act does not create two causes of action**, one for the employee's estate and the other for the employer and insurance carrier. The right to bring action for damages for wrongful death is conferred by this section. The compensation act merely governs the respective rights of the employee's estate, the employer and the insurance carrier to maintain an action for damages against third parties. *Groce v. Rapidair, Inc.*, 305 F. Supp. 1238 (W.D.N.C. 1969).

**No Conflict with § 97-10.2(f)(1)(c).** — There is no conflict in the language in this section which prohibits use of the wrongful death recovery to pay a debt of the decedent and the language in § 97-10.2(f)(1)(c) which directs that a portion of the recovery be applied to the reimbursement of the employer for benefits paid



under award of the Industrial Commission. *Byers v. North Carolina State Highway Comm'n*, 3 N.C. App. 139, 164 S.E.2d 535 (1968).

**A covenant not to sue, procured by one tort-feasor, does not release the other from liability.** *Kendrick v. Cain*, 272 N.C. 719, 159 S.E.2d 33 (1968).

**But a release of one joint tort-feasor ordinarily releases them all.** *Kendrick v. Cain*, 272 N.C. 719, 159 S.E.2d 33 (1968).

**Nonsuit.** — Nonsuit held proper in action for wrongful death resulting when intestate drove into the side of a train which had been standing at nighttime, blocking the crossing, for some 30 seconds prior to the injury, with its ground lights, its platform light, and cab lights burning. *Morris v. Winston-Salem Southbound Ry.*, 265 N.C. 537, 144 S.E.2d 598 (1965).

The burden of proving actionable negligence in an action for damages for wrongful death grounded in negligence is, of course, on the party seeking recovery. But if the evidence, that offered by both plaintiff and defendant, construed in the light most favorable to the party with the burden of proof, is sufficient to make out a prima facie case of actionable negligence, a motion for nonsuit should be denied and the case submitted to the jury. *Maynor v. Townsend*, 2 N.C. App. 19, 162 S.E.2d 677 (1968).

**Directed Verdict.** — In an action for wrongful death, a directed verdict for the defendant on the ground of contributory negligence should be granted when, and only when, the evidence, taken in the light most favorable to plaintiff, establishes the contributory negligence of plaintiff's intestate so clearly that no other reasonable inference or conclusion may be drawn therefrom. *Bowen v. Contractors Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

## II. LIMITATION OF THE ACTION.

**Action Is Subject to Two-Year Statute of Limitations.** — The period prescribed for the commencement of an action for wrongful death under this section is two years. *High v. Broadnax*, 271 N.C. 313, 156 S.E.2d 282 (1967).

**Time Limitation Is Not Condition Precedent to Right to Bring Action.** — See *Kinlaw v. Norfolk So. Ry.*, 269 N.C. 110, 152 S.E.2d 329 (1967).

**Action by Ancillary Administrator.** — The fact that an action for wrongful death is brought by an ancillary administrator appointed in this State does not constitute the action accruing to a resident of this State within the meaning of the proviso to § 1-21. *Broadfoot v. Everett*, 270 N.C. 429, 154 S.E.2d 522 (1967).

Where a complaint to recover damages under a state wrongful death act was timely filed by an ancillary administrator appointed by a state court without jurisdiction to do so, the complaint could be amended under § 1A-1, Rule 17(a) at a

time when a new suit would be barred so as to allege the subsequent effective appointment of the same person as ancillary administrator by a state court having jurisdiction. *McNamara v. Kerr-McGee Chem. Corp.*, 328 F. Supp. 1058 (E.D.N.C. 1971).

**Amendment to Substitute Proper Party Relates Back.** — Amendment or substitution of the proper party under § 1A-1, Rule 15(a) and (c) and Rule 17(a), may be made at any time before hearing to cure a lack of letters of administration, and later appointments of this nature will relate back and validate the proceedings from the beginning regardless of the statute of limitations. *McNamara v. Kerr-McGee Chem. Corp.*, 328 F. Supp. 1058 (E.D.N.C. 1971).

**Action Commenced upon False Allegation of Appointment Cannot Be Validated Following Expiration of Statute of Limitations.** — A party who has not been appointed as administratrix and has not offered herself for qualification may not, upon a false allegation that she has qualified as administratrix, commence an action for wrongful death and, following the expiration of the statute of limitations, validate that action by a subsequent appointment as administratrix. *Reid v. Smith*, 5 N.C. App. 646, 169 S.E.2d 14 (1969).

**But Action Commenced under Mistaken Belief of Appointment May Be Validated by Subsequent Appointment.** — Where a widow institutes an action as administratrix, for damages for the wrongful death of her husband, under the mistaken belief that she had been duly appointed and had qualified as such, thereafter discovers her error and amends her petition so as to show that she was appointed administratrix after the expiration of the statute of limitations applicable to such action, the amended petition will relate back to the date of the filing of the petition, and the action will be deemed commenced within the time limited by statute. *Reid v. Smith*, 5 N.C. App. 646, 169 S.E.2d 14 (1969).

**Widow's belated qualification as administratrix does not relate back to the date of the filing of the suit when no attempt was previously made to qualify as administrator in North Carolina.** *Johnson v. Wachovia Bank & Trust Co.*, 22 N.C. App. 8, 205 S.E.2d 353 (1974).

**Liability of Manufacturer Not Limited.** — Since § 1-15(b) is not applicable to wrongful death actions, the liability of the manufacturer in such a case is not limited to 10 years. *Williams v. GMC*, 393 F. Supp. 387 (M.D.N.C. 1975).

Under this ruling, a manufacturer's liability may remain open-ended in a situation in which an action is brought by an administrator of an individual who is killed instead of injured because of the defective manufacture of that



product. *Williams v. GMC*, 393 F. Supp. 387 (M.D.N.C. 1975).

### III. PARTIES TO THE ACTION.

**Suit Must Be Brought by Personal Representative.** — Action for wrongful death may be brought only by the executor, administrator or collector of the decedent. *Merchants Distrib., Inc. v. Hutchinson*, 16 N.C. App. 655, 193 S.E.2d 436 (1972); *Bowen v. Constructors Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

The only party who may maintain an action under this section for the wife's wrongful death is the executor, administrator, or collector of the decedent. *First Union Nat'l Bank v. Hackney*, 266 N.C. 17, 145 S.E.2d 352 (1965); *Miller v. Perry*, 307 F. Supp. 633 (E.D.N.C. 1969), rev'd on other grounds, 456 F.2d 63 (4th Cir. 1972).

The right of action conferred by this section vests in the personal representative of the deceased. *Horney v. Meredith Swimming Pool Co.*, 267 N.C. 521, 148 S.E.2d 554 (1966); *Miller v. Perry*, 307 F. Supp. 633 (E.D.N.C. 1969), rev'd on other grounds, 456 F.2d 63 (4th Cir. 1972).

The statutory action for wrongful death vests in the personal representative of the deceased. *Stetson v. Easterling*, 274 N.C. 152, 161 S.E.2d 531 (1968).

The right of action under this section is for the personal representative of the deceased only. The right of action for wrongful death, being conferred by statute at death, never belonged to the deceased. *Miller v. Perry*, 307 F. Supp. 633 (E.D.N.C. 1969), rev'd on other grounds, 456 F.2d 63 (4th Cir. 1972).

Nobody other than the executor, administrator, or collector of an estate can maintain an action for wrongful death. *Young v. Marshburn*, 10 N.C. App. 729, 180 S.E.2d 43 (1971).

**Action by One Not Personal Representative Should Be Dismissed.** — If an action for wrongful death is instituted by one other than the personal representative of a decedent, duly appointed in this State, it should be dismissed, and a separate and independent action instituted by such representative. *Merchants Distrib., Inc. v. Hutchinson*, 16 N.C. App. 655, 193 S.E.2d 436 (1972).

If an action for wrongful death is instituted by one other than the personal representative of a decedent, duly appointed in this State, it should be dismissed. *Young v. Marshburn*, 10 N.C. App. 729, 180 S.E.2d 43 (1971).

**The decedent's personal representative is the proper party plaintiff** in a wrongful death action. *Brendle v. General Tire & Rubber Co.*, 408 F.2d 116 (4th Cir. 1969).

**Real Party in Interest.** — Although an action for wrongful death must be brought by the personal representative of the deceased, the personal representative is not the real party in

interest and the action does not accrue in his favor. *Broadfoot v. Everett*, 270 N.C. 429, 154 S.E.2d 522 (1967).

The personal representative of a decedent, as such, has no beneficial interest in a recovery and is therefore not the real party in interest. *Long v. Coble*, 11 N.C. App. 624, 182 S.E.2d 234 (1971).

**False Allegation of Appointment Cannot Be Validated by Subsequent Appointment.** — One who has never applied for letters of administration or who, having applied, has no reasonable grounds for believing that he had been duly appointed, cannot institute an action for wrongful death, or any other cause, upon a false allegation of appointment and thereafter validate that allegation by a subsequent appointment. *Reid v. Smith*, 5 N.C. App. 646, 169 S.E.2d 14 (1969). See also note under analysis line II.

**Amendment to Substitute Proper Party Allowed.** — Under § 1A-1, Rule 15(a) and (c), and Rule 17(a), a lack of letters of administration may be cured, and an objection to want of capacity to sue may be avoided by amendment or by substitution of the proper party at any time before hearing. *McNamara v. Kerr-McGee Chem. Corp.*, 328 F. Supp. 1053 (E.D.N.C. 1971).

**Personal Representative Has Authority and Responsibility.** — The personal representative who institutes a wrongful death action is not a mere figurehead or naked trustee but has authority as well as responsibility. *First Union Nat'l Bank v. Hackney*, 266 N.C. 17, 145 S.E.2d 352 (1965); *Miller v. Perry*, 307 F. Supp. 633 (E.D.N.C. 1969), rev'd on other grounds, 456 F.2d 63 (4th Cir. 1972).

**An administrator has the right to compromise a disputed claim** if he acts in good faith and exercises the care which an ordinarily sensible and prudent man would exercise in dealing with his own property under like circumstances. *Forsyth County v. Barneycastle*, 18 N.C. App. 513, 197 S.E.2d 576 (1973).

**Ancillary Administrator May Be Appointed.** — An administrator appointed by the court of another state may not maintain an action for wrongful death occurring in North Carolina; however, the clerk of the superior court in the county in which personal service may be had upon the alleged tort-feasor has authority to appoint an ancillary administrator to sue for wrongful death, notwithstanding that deceased was a nonresident. *Merchants Distrib., Inc. v. Hutchinson*, 16 N.C. App. 655, 193 S.E.2d 436 (1972).

**Executor May Not Be Joined as Defendant.** — In a wrongful death action, a motion by the plaintiff, who was the adopted daughter of the decedent, that the executor of the estate of the decedent be joined as a defendant was denied because the executor is not a proper party to be joined as a defendant in an action which he alone by statute is authorized to commence. *Young v.*



Marshallburn, 10 N.C. App. 729, 180 S.E.2d 43 (1971).

**Action by Child Born Alive.** — Since the child must carry the burden of infirmity that results from another's tortious act, it is only natural justice that it, if born alive, be allowed to maintain an action on the ground of actionable negligence. *Stetson v. Easterling*, 274 N.C. 152, 161 S.E.2d 531 (1968).

**Viable Child Born Dead.** — Under this section there can be no right of action for the wrongful prenatal death of a viable child en ventre sa mere. *Gay v. Thompson*, 266 N.C. 394, 146 S.E.2d 425 (1966); *Stetson v. Easterling*, 274 N.C. 152, 161 S.E.2d 531 (1968).

Where the Supreme Court based its decision on the ground there can be no evidence from which to infer "pecuniary injury resulting from" the wrongful prenatal death of a viable child en ventre sa mere, since it is all sheer speculation, it is not necessary to decide the debatable question as to whether a viable child en ventre sa mere, who is born dead, is a person within the meaning of the Wrongful Death Act. *Gay v. Thompson*, 266 N.C. 394, 146 S.E.2d 425 (1966).

**Action by Administrator of Child against Parents.** — The administrator of an unemancipated child, killed by the negligence of his parent, has no cause of action against the parent for the wrongful death of his intestate. *First Union Nat'l Bank v. Hackney*, 266 N.C. 17, 145 S.E.2d 352 (1965).

The right of action for wrongful death is limited to such as would, if the injured party had lived, have entitled him to an action for damages therefor. Hence, the administrator of an unemancipated child whose death is caused by the negligence of his parent has no cause of action against the parent for the wrongful death of the child because such child, if he had lived, would have had no cause of action against the parent on account of his injuries. *Horney v. Meredith Swimming Pool Co.*, 267 N.C. 521, 148 S.E.2d 554 (1966).

The administrator of an unemancipated minor child may not bring an action against the administrator of its father for damages for the wrongful death of such child caused by the ordinary negligence of the deceased father. *Skinner v. Whitley*, 281 N.C. 476, 189 S.E.2d 230 (1972).

**Action by Representative of Parent against Child.** — Neither a parent nor his personal representative has an action for wrongful death against an unemancipated child or his representative. *Horney v. Meredith Swimming Pool Co.*, 267 N.C. 521, 148 S.E.2d 554 (1966).

**Action by Administrator of Wife against Husband.** — If a wife's death is caused by the actionable negligence of her husband, this section creates and authorizes an action by her personal representative to recover for her

wrongful death. *First Union Nat'l Bank v. Hackney*, 266 N.C. 17, 145 S.E.2d 352 (1965).

Since § 52-5 provides that an injured wife has a cause of action against her husband for damages for personal injury, under the provisions of this section the administrator of her estate may maintain an action for wrongful death when she does not survive. *Cummings v. Locklear*, 12 N.C. App. 572, 183 S.E.2d 832 (1971).

#### IV. DISTRIBUTION OF RECOVERY.

**Section Governs Nature and Distribution of Recovery.** — The nature and distribution of whatever recovery is obtained is governed by the provisions of this section. *Bowen v. Constructors Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

**When Distribution in Accordance with Subsection (a) Not Appropriate.** — Distribution of the recovery in accordance with subsection (a), although appropriate when the recovery is computed on the basis of the loss to the estate, is not appropriate when the recovery is based largely on losses suffered by particular beneficiaries. *Bowen v. Constructors Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

**Recovery Held in Trust.** — In receiving funds paid in settlement of a wrongful death claim a personal representative of a decedent's estate is not acting for the estate but as the trustee for the beneficiaries under the law. *In re Below*, 12 N.C. App. 657, 184 S.E.2d 378 (1971).

A personal representative does not derive any right, title, or authority from his intestate, but he sustains more the relation of a trustee in respect to the fund he may recover for the benefit of those entitled eventually to receive it, and he will hold it when recovered actually in that capacity, though in his name as executor or administrator. *In re Below*, 12 N.C. App. 657, 184 S.E.2d 378 (1971).

**Existence of Beneficiaries Immaterial.** — Recovery, if negligence is proved, is by the decedent's personal representative and is not conditioned upon the decedent's leaving dependents or beneficiaries of his estate. *Abernethy v. Utica Mut. Ins. Co.*, 373 F.2d 565 (4th Cir. 1967).

There is no exception or provision in this section to the effect the personal representative's right to maintain an action depends in any way on the identity of the particular persons who, under the Intestate Succession Act, would be entitled to the recovery. *First Union Nat'l Bank v. Hackney*, 266 N.C. 17, 145 S.E.2d 352 (1965); *Miller v. Perry*, 307 F. Supp. 633 (E.D.N.C. 1969).

A certain liability is imposed for death, and that liability is exclusive. No other responsibility is left which springs from the occurrence upon



which liability rests — death — and the effect of the compensation as a satisfaction of all other claims is in no way limited or impaired by the circumstances of the identity of the persons to whom it is paid or because in a given case no one survives to take advantage of the statute. *Horney v. Meredith Swimming Pool Co.*, 267 N.C. 521, 148 S.E.2d 554 (1966).

The right to sue granted by this statute is not conditioned upon who may be the ultimate beneficiary or beneficiaries of a recovery. *Cummings v. Locklear*, 12 N.C. App. 572, 183 S.E.2d 832 (1971).

The fortuitous circumstance that those entitled to the recovery under the Intestate Succession Act happened to be the children rather than collateral kin of the decedent is not germane to the administrator's right of action. *Cummings v. Locklear*, 12 N.C. App. 572, 183 S.E.2d 832 (1971).

**Evidence of the decedent's dependents or beneficiaries is irrelevant and inadmissible.** *Abernethy v. Utica Mut. Ins. Co.*, 373 F.2d 565 (4th Cir. 1967).

**The Supreme Court recognizes two different causes of action stemming from the same wrongful act.** *Crawford v. Hudson*, 3 N.C. App. 555, 165 S.E.2d 557 (1969).

The right of an injured person to sue for personal injuries of any kind is entirely separate and distinct from the right of the personal representative to sue under authority of the wrongful death statute. Any damage sustained by such person during his lifetime is personal to that person and, if proximately caused by the wrongful act of another, could be recovered by him. If this right of action survived his death, the recovery would be an asset of his estate to be administered as any other personal property owned and possessed by decedent at the time of his death. *Crawford v. Hudson*, 3 N.C. App. 555, 165 S.E.2d 557 (1969).

While both the right of action for the recovery of consequential damages sustained between date of injury and date of death, and the right of action to recover damages resulting from such death, have as basis the same wrongful act, there is no overlapping of amounts recoverable. But such consequential damages as flow from the wrongful act would be recoverable by the personal representative; those sustained by the injured party during his lifetime, for benefit of his estate, and those resulting from his death, for benefit of his next of kin, determinable upon separate issues. *Crawford v. Hudson*, 3 N.C. App. 555, 165 S.E.2d 557 (1969).

**And Two Separate Recovery Funds.** — The Supreme Court specifically recognizes two separate causes of action growing out of the same wrongful act of the tort-feasor and two separate recovery funds. *Crawford v. Hudson*, 3 N.C. App. 555, 165 S.E.2d 557 (1969).

**"The wrongful death fund"** results from the wrongful death cause of action. *Crawford v. Hudson*, 3 N.C. App. 555, 165 S.E.2d 557 (1969).

**And "the general estate fund"** results from the personal injury cause of action. *Crawford v. Hudson*, 3 N.C. App. 555, 165 S.E.2d 557 (1969).

**Creditor Has No Claim against Wrongful Death Funds.** — Where the funds obtained by compromise settlement are for damages recoverable for death by wrongful act, the plaintiff creditor has no enforceable claim against these funds or any portion of them. *Forsyth County v. Barneycastle*, 18 N.C. App. 513, 197 S.E.2d 576 (1973).

**Recovery Not Assets of Deceased's Estate.** — Proceeds recovered under the wrongful death statute are not a part of a decedent's estate, and in dealing with these funds neither the clerk nor the estate's personal representative is administering the estate of a decedent. In re *Below*, 12 N.C. App. 657, 184 S.E.2d 378 (1971).

The amount recovered is not a general asset of the estate, but the personal representative shall dispose of it as provided in this section and the Intestate Succession Act. *Long v. Coble*, 11 N.C. App. 624, 182 S.E.2d 234 (1971).

The recovery in an action for wrongful death created by and based on this section is not a general asset of the decedent's estate. It is not subject to the payment of his debt, nor could the decedent by will or otherwise have diverted any portion of such recovery from the persons who would be entitled thereto under the Intestate Succession Act. *Bowen v. Constructors Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

**But Treated as Assets for Certain Expenses.** — A cause of action for wrongful death, being conferred by statute at death, could never have belonged to the deceased. A recovery resulting from such cause of action is therefore not an asset of the deceased's estate, although by virtue of the specific provisions of this section it is treated as an asset with respect to burial expenses and certain hospital and medical costs. In re *Estate of Below*, 12 N.C. App. 657, 184 S.E.2d 378 (1971).

**Payment to Doctors and Hospital in Excess of \$500.** — The treatment for injuries during the interval between injury and death over and beyond the \$500 provided for in this section, is to be paid to the doctors and hospital from the general estate fund. *Crawford v. Hudson*, 3 N.C. App. 555, 165 S.E.2d 557 (1969).

The Supreme Court recognizes the right of creditors (the doctors and hospital) to recover more than the wrongful death statute authorized (i.e., more than the \$500) by recovering from the funds of the other cause of action. *Crawford v. Hudson*, 3 N.C. App. 555, 165 S.E.2d 557 (1969).



**Burial Expenses for Minor Child.** — In a case of an unemancipated minor child the father, who is primarily liable for the burial expenses of such child, would not be able to recover such expenses from the wrongful death funds. *Crawford v. Hudson*, 3 N.C. App. 555, 165 S.E.2d 557 (1969).

The father of an unemancipated minor child whose death results from the negligent act of a third party has a cause of action against the third party for the reasonable and necessary funeral expenses and loss of services during the minority of the deceased child which is separate and apart from the cause of action by the personal representative for the wrongful death of the child. *Crawford v. Hudson*, 3 N.C. App. 555, 165 S.E.2d 557 (1969).

**Statutory Beneficiary Not Entitled to Share in Recovery for Death Caused by His Negligence.** — The court will look beyond the parties to the suit and prevent a beneficiary from obtaining any sum by way of recovery in a death by wrongful act where his own wrong had brought about the death. *Miller v. Perry*, 307 F. Supp. 633 (E.D.N.C. 1969), rev'd on other grounds, 456 F.2d 63 (4th Cir. 1972).

Where it is a husband's wrongful act which caused the death of his wife intestate, he may not share in a recovery. Should the jury return a verdict in favor of the administrator of her estate, the court will enter judgment for only two thirds of the amount of the verdict. *Cummings v. Locklear*, 12 N.C. App. 572, 183 S.E.2d 832 (1971).

In an action by an administrator under the Wrongful Death Act, where a husband caused the death of his wife, the award must be reduced by the statutory share of the wrongdoer. *St. Paul Fire & Marine Ins. Co. v. Lack*, 476 F.2d 583 (4th Cir. 1973).

This result is not precluded by the "slayer statute," § 31A-4, which excludes the wrongdoer from taking by declaring him to have constructively died prior to the deceased, since the slayer's exclusion by § 31A-4 appears to apply only to inheritance from the decedent's "estate," while wrongful death awards have consistently been deemed not to pass through the personal estate of the deceased, but rather to arise out of a right of action belonging peculiarly to the personal representative for the benefit of the intestate successors. *St. Paul Fire & Marine Ins. Co. v. Lack*, 476 F.2d 583 (4th Cir. 1973).

## V. DAMAGES RECOVERABLE.

**Legislative Intent as to Recovery under Subsection (b)(1), (2) and (5).** — It seems improbable that the General Assembly intended that recovery for items of damage within subsection (b)(1), (2), and (5) should be exempt from liability for the payment of the debts and legacies of the decedent. *Bowen v. Constructors*

*Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

**Injured Person's Right of Action to Recover Damages Survives.** — An injured person's common-law right of action in respect of damages he sustained during the interval between injury and death now survives to his personal representative. *Bowen v. Constructors Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

**There is a surviving cause of action for predeath expenses and pain and suffering.** *Brendle v. General Tire & Rubber Co.*, 408 F.2d 116 (4th Cir. 1969).

**Wrongful death damages are unlimited.** *Brendle v. General Tire & Rubber Co.*, 408 F.2d 116 (4th Cir. 1969).

**Measure of Damages Recoverable under Former Section.** — See *Smith v. Mercer*, 276 N.C. 329, 172 S.E.2d 489 (1970); *Bowen v. Constructors Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

**Determination of Damages Recoverable under Subsection (b).** — Damages recoverable under subsection (b) are not determined by ascertaining the net pecuniary loss suffered by the estate, but are determined by ascertaining the present monetary loss suffered by those persons entitled to receive the damages. *Bowen v. Constructors Equip. Rental Co.*, 16 N.C. App. 70, 191 S.E.2d 419 (1972).

**Where the measure of damages in death cases is "loss to beneficiaries,"** rather than the "loss to estate," a beneficiary's right to recover the value of expected benefits is limited to his life expectancy. *Bowen v. Constructors Equip. Rental Co.*, 16 N.C. App. 70, 191 S.E.2d 419 (1972).

**Damages may not be assessed on the basis of sheer speculation,** devoid of factual substantiation. *Gay v. Thompson*, 266 N.C. 394, 146 S.E.2d 425 (1966); *Stetson v. Easterling*, 274 N.C. 152, 161 S.E.2d 531 (1968).

**But Jury May Base Speculation on Facts.** — Damages in any wrongful death action are to some extent uncertain and speculative. A jury may indulge in speculation in assessing damages where it is necessary and there are sufficient facts to support speculation. *Gay v. Thompson*, 266 N.C. 394, 146 S.E.2d 425 (1966).

**Damages determinable in accordance with subsection (b)(4)** are quite different from damages determinable on the basis of the pecuniary injury suffered by the decedent's estate as the result of his death. *Smith v. Mercer*, 276 N.C. 329, 172 S.E.2d 489 (1970); *Bowen v. Constructors Equip. Rental Co.*, 16 N.C. App. 70, 191 S.E.2d 419 (1972).

**No rule is prescribed for the measurement or ascertainment of the damages recoverable under subsection (L)(4).** It would be difficult, if not impossible, to formulate a rule of general



application for the measurement of such damages. *Bowen v. Constructors Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

The present monetary value of the decedent to the persons entitled to receive the damages recovered will usually defy any precise mathematical computation. *Brown v. Moore*, 286 N.C. 664, 213 S.E.2d 342 (1975).

Damages for any items under subsection (b)(4), unless the decedent was a person of established earning capacity beyond his or her personal needs, involve in large measure speculative and intangible considerations. *Brown v. Moore*, 286 N.C. 664, 213 S.E.2d 342 (1975).

Since the persons entitled to the damages recovered may have suffered substantial losses on account of the items of damage under subsection (b)(4), it cannot be said that there can be no recovery for these items of damages because no yardstick for ascertaining the amount thereof has been provided. *Bowen v. Constructors Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

The fact that the full extent of the damages must be a matter of some speculation is no ground for refusing all damages. *Brown v. Moore*, 286 N.C. 664, 213 S.E.2d 342 (1975).

The paragraphs of subsection (b)(4) enumerate some of the factors to be considered in determining the present monetary value of the decedent to the persons entitled to the damages recovered. *Brown v. Moore*, 286 N.C. 664, 213 S.E.2d 342 (1975).

Subsection (b)(6) supplies a statutory basis which was lacking when previous cases were decided. Nominal damages and costs may now be recovered if the jury finds that the decedent's death was caused by the defendant's wrongful act but fails to find that such death caused pecuniary loss. *Bowen v. Constructors Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

A jury will not be required to award damages when the evidence adduced does not establish to its satisfaction facts which will reasonably support an assessment. In such a situation, by subdivision (b)(6) the legislature authorized "nominal damages when the jury so finds." *Brown v. Moore*, 286 N.C. 664, 213 S.E.2d 342 (1975).

**Recovery to Be One Compensation in Lump Sum.** — This section contemplates that if plaintiff be entitled to recover at all, he is entitled to recover as damages one compensation in a lump sum. He is not entitled to recover the whole sum from each of the joint tort-feasors. *Kendrick v. Cain*, 272 N.C. 719, 159 S.E.2d 33 (1968).

**Question of Damages Is for Jury.** — The assessment of damages must, to a large extent, be left to the good sense and fair judgment of the jury — subject, of course, to the discretionary power of the judge to set its

verdict aside when, in his opinion, equity and justice so require. *Brown v. Moore*, 286 N.C. 664, 213 S.E.2d 342 (1975).

The jurors being "the sole judges of the facts" are necessarily the sole judges of whether they are "satisfied from the evidence and by its greater weight" that plaintiff sustained damages and, if so, whether there is evidence from which they can reasonably determine the approximate amount of the plaintiff's pecuniary loss. *Brown v. Moore*, 286 N.C. 664, 213 S.E.2d 342 (1975).

**When Judge Must Set Verdict Aside.** — In awarding damages for wrongful death the jury is not ordinarily required as a matter of law to award damages for all or any of the items specified in paragraphs a, b, and c of subsection (b)(4). It is only when the jury has arbitrarily disregarded the law and the evidence that the judge must exercise his judicial discretion and set the verdict aside. *Brown v. Moore*, 286 N.C. 664, 213 S.E.2d 342 (1975).

**The burden is on plaintiff** to prove that the estate of his intestate suffered a net pecuniary loss as a result of her death. *Greene v. Nichols*, 274 N.C. 18, 161 S.E.2d 521 (1968); *Maynor v. Townsend*, 2 N.C. App. 19, 162 S.E.2d 677 (1968).

Where actual pecuniary damages are sought, the plaintiff must satisfy the jury by the greater weight of the evidence of the existence of damages and of facts which will furnish some basis for a reasonable assessment. *Brown v. Moore*, 286 N.C. 664, 213 S.E.2d 342 (1975).

**Direct evidence of earnings is not essential**, it being sufficient to present evidence of "health, age, industry, means and business." *Maynor v. Townsend*, 2 N.C. App. 19, 162 S.E.2d 677 (1968).

It is not essential that direct evidence of the earnings of a deceased adult be offered in order for there to be recovery of damages. Evidence of his health, age, industry, means and business are competent to show pecuniary loss. *Reeves v. Hill*, 272 N.C. 352, 158 S.E.2d 529 (1968).

Although it is not essential that direct, specific evidence be offered with reference to decedent's earning capacity, it is required that plaintiff offer some evidence tending to show that intestate was potentially capable of earning money in excess of that which would be required for her support. *Greene v. Nichols*, 274 N.C. 18, 161 S.E.2d 521 (1968).

It is required that plaintiff offer some evidence tending to show that intestate was potentially capable of earning money in excess of that which would be required for her support. *Maynor v. Townsend*, 2 N.C. App. 19, 162 S.E.2d 677 (1968).

**The measure of damages for the death of a child** is the same as for an adult, notwithstanding the difficulty of applying the rule is greatly increased in the case of an infant.



Burton v. Croghan, 265 N.C. 392, 144 S.E.2d 147 (1965).

**Viable Child Born Dead.** — There can be no evidence from which to infer pecuniary injury resulting from the wrongful prenatal death of a viable child en ventre sa mere; it is all sheer speculation. Stetson v. Easterling, 274 N.C. 152, 161 S.E.2d 531 (1968).

**Instructions as to Life Expectancy of Persons Entitled to Recovery.** — Where there

is evidence tending to show that persons entitled to receive the damages recovered have a shorter life expectancy than that of deceased, it is error for the court to fail to instruct the jury to consider the life expectancy of such persons in determining the amount of damages recoverable. Bowen v. Constructors Equip. Rental Co., 16 N.C. App. 70, 191 S.E.2d 419 (1972).

**§ 28A-18-3. To sue or defend in representative capacity.** — All actions and proceedings brought by or against personal representatives or collectors upon any cause of action or right to which the estate of the decedent is the real party in interest, must be brought by or against them in their representative capacity. (1868-9, c. 113, s. 79; Code, s. 1507; Rev., s. 160; C. S., s. 164; 1973, c. 1329, s. 3.)

**§ 28A-18-4. Service on or appearance of one binds all.** — In actions against personal representatives or collectors, they are all to be considered as one person, representing the decedent; and if the summons is served on one or more, but not all, the plaintiff may proceed against those served, and if he recovers, judgment may be entered against all. (1868-9, c. 113, s. 81; Code, s. 1508; Rev., s. 161; C. S., s. 165; 1973, c. 1329, s. 3.)

**§ 28A-18-5. When creditors may sue on claim; execution in such action.** — An action may be brought by a creditor against the personal representative or collector on a demand at any time after it is due, but no execution shall issue against the personal representative or collector on a judgment therein against him without leave of the court, upon notice of 20 days and upon proof that the defendant has refused to pay such judgment or its ratable part, and such judgment shall be a lien on the property of the estate of the decedent only from the time of such leave granted. (1868-9, c. 113, s. 82; Code, s. 1509; Rev., s. 162; C. S., s. 166; 1973, c. 1329, s. 3.)

**§ 28A-18-6. Service by publication on executor without bond.** — Whenever process may issue against an executor who has not given bond, and the same cannot be served upon him by reason of his absence or concealment, service of such process may be made by publication in the manner prescribed in other civil actions. (1868-9, c. 113, s. 94; Code, s. 1523; Rev., s. 163; C. S., s. 167; 1973, c. 1329, s. 3.)

**§ 28A-18-7. Execution by successor in office.** — Any personal representative or collector may have execution issued on any judgment recovered by any person who preceded him in the administration of the estate, or by the decedent, in the same cases and the same manner as the original plaintiff might have done. (1868-9, c. 113, s. 84; Code, s. 1513; Rev., s. 164; C. S., s. 168; 1973, c. 1329, s. 3.)

**§ 28A-18-8. Action to continue, though letters revoked.** — In case the letters of a personal representative or collector are revoked, pending an action to which he is a party, the adverse party may, notwithstanding, continue the action against him in order to charge him personally. If such party does not elect so to do, within six months after notice of such revocation, the action may be continued against the successor of the personal representative or collector in the administration of the estate, in the same manner as in case of death. (1868-9, c. 113, s. 85; Code, s. 1514; Rev., s. 165; C. S., s. 169; 1973, c. 1329, s. 3.)



## ARTICLE 19.

*Claims against the Estate.*

**§ 28A-19-1. Manner of presentation of claims.** — Claims against a decedent's estate may be presented as follows:

- (1) The claimant may deliver or mail to the personal representative or collector a written statement of any claim indicating its basis, the name and address of the claimant, and the amount claimed. Such claim will be deemed presented upon its being received by the personal representative or collector, but if the personal representative or collector so elects, he may demand any or all of the following prior to taking action on the claim:
  - a. If the claim is not yet due, that the date when it will become due be stated;
  - b. If the claim is contingent or unliquidated, that the nature of the uncertainty be stated;
  - c. If the claim is secured, that the security be described.
- (2) Any action commenced against a personal representative or collector as such after the death of the decedent is considered a claim duly presented against the estate from the time of serving the original process on the personal representative or collector.
- (3) Any action pending against any person at the time of his death, which, at law, survives against the personal representative or collector is considered a claim duly presented against the estate from the time substitution of the personal representative or collector for the deceased defendant, or motion therefor, is made. (1973, c. 1329, s. 3.)

**§ 28A-19-2. Affidavit of claim may be required.** — Upon any claim being presented against the estate in the manner prescribed in G.S. 28A-19-1, the personal representative or collector may require the affidavit of the claimant or other satisfactory evidence that such claim is justly due, that no payments have been made thereon, and that there are no offsets against the same, to the knowledge of the claimant; or if any payments have been made, or any offsets exist that their nature and amount be shown by the evidence or stated in the affidavit. (1868-9, c. 113, s. 33; Code, s. 1425; Rev., s. 91; C. S., s. 98; 1973, c. 1329, s. 3.)

**§ 28A-19-3. Limitations on presentation of claims.** — (a) All claims, except contingent claims based on any warranty made in connection with the conveyance of real estate, against a decedent's estate which arose before the death of the decedent, including claims of the United States and the State of North Carolina and subdivisions thereof, whether due or to become due, absolute or contingent, liquidated or unliquidated, secured or unsecured, founded on contract, tort, or other legal basis, which are not presented to the personal representative or collector pursuant to G.S. 28A-19-1 within six months after the day of the first publication or posting of the general notice to creditors as provided for in G.S. 28A-14-1 are forever barred against the estate, the personal representative, the collector, the heirs, and the devisees of the decedent.

(b) All claims against a decedent's estate which arise at or after the death of the decedent, including claims of the United States and the State of North Carolina and subdivisions thereof, whether due or to become due, absolute or contingent, liquidated or unliquidated, secured or unsecured, founded on contract, tort, or other legal basis are forever barred against the estate, the personal representative, the collector, the heirs, and the devisees of the decedent unless presented to the personal representative or collector as follows:



- (1) A claim based on a contract with the personal representative or collector, within six months after performance by the personal representative or collector is due;
- (2) Any claim other than a claim based on a contract with the personal representative or collector, within six months after the claim arises.
- (c) No claim shall be barred by the statute of limitations which was not barred thereby at the time of the decedent's death, if the claim is presented within the period provided by subsection (a) hereof.
- (d) All claims of creditors upon whom there has been personal service of notice as provided in G.S. 28A-14-3 are forever barred unless presented to the personal representative or collector within three months from the date of such service. Nothing herein contained, however, shall be construed as extending the period provided by subsections (a) and (b) hereof.
- (e) Unless notice of actions or special proceedings pending against a decedent at the time of his death and surviving under G.S. 28A-18-1 is presented to the personal representative or collector within six months after the day of the first publication or posting of the general notice to creditors as provided in G.S. 28A-14-1, no recovery may be had upon any judgment obtained in any such action or proceeding.
- (f) All claims barrable under the provisions of subsections (a) and (b) hereof shall, in any event, be barred if the first publication or posting of the general notice to creditors as provided for in G.S. 28A-14-1 does not occur within three years after the death of the decedent.
- (g) Nothing in this section affects or prevents any action or proceeding to enforce any mortgage, deed of trust, pledge, lien (including judgment lien), or other security interest upon any property of the decedent's estate, but no deficiency judgment will be allowed if the provisions of this section are not complied with.
- (h) The word "claim" as used in this section does not apply to claims of heirs or devisees to their respective shares or interests in the decedent's estate in their capacity as such heirs or devisees. (1973, c. 1329, s. 3.)

**§ 28A-19-4. Payment of claims and charges before expiration of six months' period.** — As soon as the personal representative or collector is possessed of sufficient means over and above the other costs of administration, he shall pay the year's allowances in the amounts and in the manner prescribed in G.S. 30-15 to G.S. 30-33. Prior to the expiration of six months after the day of the first publication or posting of the general notice to creditors as provided for in G.S. 28A-14-1, the personal representative or collector may pay such other claims and charges as he deems in the best interest of the estate if the total assets are sufficient to pay all claims and charges against the estate. (1973, c. 1329, s. 3.)

**§ 28A-19-5. Contingent claims.** — If a contingent or unliquidated claim becomes absolute before the distribution of the estate of the decedent, it shall be paid in the same manner as absolute claims of the same class. In other cases the clerk of superior court may provide for the payment of contingent or unliquidated claims in any one of the following ways:

- (1) The creditor and the personal representative or collector may determine, by agreement, arbitration, or compromise, the value of the contingent or unliquidated claim, according to its probable present worth, and with the approval of the clerk of superior court, it may be allowed and paid in the same manner as an absolute claim.
- (2) The clerk of superior court may order the personal representative or collector to retain sufficient funds to pay the claim if and when the same becomes absolute, and order distribution of the balance of the estate.



- (3) The clerk of superior court may order distribution of the estate as though the contingent or unliquidated claim did not exist, but the heirs and devisees of the estate of the decedent are liable to the creditor to the extent of the estate received by them, if the contingent or unliquidated claim thereafter becomes absolute; and the court may require such heirs and devisees to give bond for the performance of their liability to the contingent or unliquidated creditor.
- (4) Such other method as the clerk of superior court may order. (1973, c. 1329, s. 3.)

**§ 28A-19-6. Order of payment of claims.** — After payment of costs and expenses of administration, the claims against the estate of a decedent must be paid in the following order:

First class. Claims which by law have a specific lien on property to an amount not exceeding the value of such property.

Second class. Funeral expenses to the extent of six hundred dollars (\$600.00). This limitation shall not include cemetery lot or gravestone. The preferential limitation herein granted shall be construed to be only a limit with respect to preference of payment and shall not be construed to be a limitation on reasonable funeral expenses which may be incurred; nor shall the preferential limitation of payment in the amount of six hundred dollars (\$600.00) be diminished by any Veterans Administration, Social Security or other federal governmental benefits awarded to the estate of the decedent or to his or her beneficiaries.

Third class. All dues, taxes, and other claims with preference under the laws of the United States.

Fourth class. All dues, taxes, and other claims with preference under the laws of the State of North Carolina and its subdivisions.

Fifth class. Judgments of any court of competent jurisdiction within the State, docketed and in force, to the extent to which they are a lien on the property of the decedent at his death.

Sixth class. Wages due to any employee employed by the decedent, which claim for wages shall not extend to a period of more than 12 months next preceding the death; or if such employee was employed for the year current at the decease, then from the time of such employment; for medical services within the 12 months preceding the decease; for drugs and all other medical supplies necessary for the treatment of such decedent during the last illness of such decedent, said period of last illness not to exceed 12 months.

Seventh class. All other claims. (1868-9, c. 113, s. 24; Code, s. 1416; Rev., s. 87; C. S., s. 93; 1941, c. 271; 1955, c. 641, s. 1; 1967, c. 1066; 1973, c. 1329, s. 3.)

**Termination of Old Age Assistance.** — When old age assistance was terminated by death of the recipient, the county's claim against the recipient's estate under former § 108-30.1 had to be satisfied out of the personal property in the estate to the extent it was sufficient to pay claims of the sixth class before resorting to the

real property for satisfaction of the debt. *Brunswick County v. Vitou*, 6 N.C. App. 54, 169 S.E.2d 234 (1969).

**Priority of Portion of Funeral Bill Not a Limitation on Amount.** — See opinion of Attorney General to Mrs. Martha O. Comer, CSC, 40 N.C.A.G. 30 (1970).

**§ 28A-19-7. Satisfaction of claims other than by payment.** — Notwithstanding any provision of law to the contrary,

- (1) If a decedent was liable in person at the time of his death for the payment or satisfaction of any claim or the performance, satisfaction, or discharge of any liability or obligation, whether joint or several, primary or secondary, direct or contingent, or enforceable in any other manner or form whatsoever, or
- (2) If only the property of a decedent or some part thereof was liable at the time of his death for the payment of satisfaction of any claim or the



performance, satisfaction, or discharge of any liability or obligation, whether joint or several, primary or secondary, direct or contingent, or enforceable in any other manner or form against the property of the decedent but not against him or his estate as a personal liability, and

- (3) If any person other than the personal representative of the decedent is willing to assume the liability of the decedent and of his estate or to receive or accept property of the decedent subject to such liability in cases where the decedent was not personally liable and the creditor, obligee, or other person for whose benefit such liability exists is willing to accept an agreement with that effect and to discharge the personal representative of the decedent and the estate of the decedent from the payment, satisfaction, or discharge of such liability, and
- (4) If such creditor, obligee, or other person for whose benefit such liability exists and the person assuming the liability or the person receiving or accepting property of the decedent subject to such liability shall execute, acknowledge, and deliver in the form and manner required for deeds conveying real property in North Carolina, an agreement between themselves as to such assumption of liability or the receipt or acceptance of property of the decedent subject to such liability which shall contain a release, as hereinafter defined, discharging the personal representative of the decedent and his estate from the payment, satisfaction, or discharge of the liability, and thereafter the said creditor, obligee, or other person for whose benefit such liability exists shall have no remedy for the enforcement thereof except against the person assuming it or against the property subject to it as provided in the said agreement; then upon the filing with the clerk of superior court having jurisdiction over the estate and the personal representative of one duplicate original of the said agreement, or of a certified copy thereof if it is a duly recorded instrument, the same shall be accepted in the same manner as a voucher showing payment or discharge of the said liability in the accounts of the personal representative of the decedent.

The word "person" as used in this section shall include one or more natural persons, corporations, partnerships, or entities having the power to own property or to make contracts in regard thereto. The word "release" as used in this section shall include a covenant not to sue in any case in which an unqualified release or discharge of one obligee would discharge another, and if the liability involved is a negotiable instrument or other instrument transferable to a holder in due course, such release shall not be effective unless notice thereof is endorsed on the instrument involved, dated, and signed by the creditor or the holder of the indebtedness or person for whose benefit the property is encumbered. (1965, c. 1149; 1973, c. 1329, s. 3.)

**§ 28A-19-8. Funeral expenses of decedent.** — Funeral expenses of a decedent shall be considered as an obligation of the estate of the decedent and the decedent's estate shall be primarily liable therefor. The provisions of this section shall not affect the application of G.S. 28A-19-6. (1969, c. 610, s. 1; 1973, c. 1329, s. 3.)

**§ 28A-19-9. Gravestone authorized.** — It is lawful for personal representatives to provide suitable gravestones to mark the graves of their testators or intestates, and to pay for the cost of erecting the same and the cost thereof shall be paid as funeral expenses and credited as such in final accounts. The costs thereof shall be in the sound discretion of the personal representative, having due regard to the value of the estate and to the interests of creditors and needs of the surviving spouse and the heirs and devisees of the estate. Where the personal representative desires to spend more than four hundred



dollars (\$400.00) for such purpose, and the will does not grant specific authority to the personal representative for such expenditures in excess of four hundred dollars (\$400.00), he shall file his petition before the clerk of the court, and such order as will be made by the court shall specify the amount to be expended for such purpose. Provided, however, that if the net estate is of a value in excess of twenty-five thousand dollars (\$25,000), the personal representative may, in his discretion, expend not more than eight hundred dollars (\$800.00) for this purpose without securing the order of the court required herein. If the estate is of a value in excess of twenty-five thousand dollars (\$25,000) and the personal representative desires to spend more than eight hundred dollars (\$800.00) for such purpose, and the will does not grant specific authority for such expenditure he shall file his petition and secure the order of the court herein required before expending funds for such purpose. However, in no event may more than eight hundred dollars (\$800.00) be accounted as gravestone marker cost to be credited as a funeral expense in the final accounts. (1905, c. 444; Rev., s. 102; C. S., s. 108; 1925, c. 4; 1941, c. 102; 1951, c. 373; 1973, c. 1329, s. 3.)

**§ 28A-19-10. Perpetual care of cemetery lot.** — It shall be lawful for a personal representative to provide for perpetual care for the lot upon which is located the grave of his testator or intestate, and the cost thereof shall be paid and credited as such in final accounts: Provided, that the provisions of this section shall be applicable to an interment made in a cemetery authorized by law to operate as a perpetual-care cemetery or association, and the cost thereof shall be in the sound discretion of the personal representative having due regard to the value of the estate and to the interest of the surviving spouse and the heirs and devisees of the estate. Provided, where the personal representative desires to spend more than two hundred fifty dollars (\$250.00) for such purpose, and the will does not grant specific authority to the personal representative for such expenditure in excess of two hundred fifty dollars (\$250.00), he shall file his petition before the clerk of the superior court and such order as will be made by the court shall specify the amount to be expended for such purpose. (1945, c. 756; 1973, c. 1329, s. 3.)

**§ 28A-19-11. Pleading statute of limitations.** — When claims are not barred pursuant to G.S. 28A-19-3, it shall be within the discretion of the personal representative or collector acting in good faith to determine whether or not any applicable statute of limitations shall be pleaded to bar a claim which he believes to be just. His admission of such claim or his decision not to plead the statute in an action brought on the claim shall, in the absence of any showing of collusion or bad faith, be binding on all persons interested in the estate. (1973, c. 1329, s. 3.)

**§ 28A-19-12. Claims due representative not preferred.** — No property or assets of the decedent shall be retained by the personal representative or collector in satisfaction of his own claim, in preference to others of the same class; but such claim must be established upon the same proof and paid in like manner and order as required by law in case of other debts. (1868-9, c. 113, s. 28; Code, s. 1420; Rev., s. 89; C. S., s. 96; 1973, c. 1329, s. 3.)

**§ 28A-19-13. No preference within class.** — No personal representative or collector shall give to any claim any preference whatever, either by paying it out of its class or by paying thereon more than a pro rata proportion in its class. (1868-9, c. 113, ss. 25, 26; Code, ss. 1417, 1418; Rev., s. 88; C. S., s. 94; 1973, c. 1329, s. 3.)

**§ 28A-19-14. Claims not due rebated.** — Claims owed by the estate but not yet due may be paid by the personal representative on a rebate of interest



thereon for the time unexpired. (1868-9, c. 113, s. 27; Code, s. 1419; Rev., s. 90; C. S., s. 97; 1973, c. 1329, s. 3.)

**§ 28A-19-15. Disputed claim may be referred.** — If the personal representative doubts the justness of any claim so presented, he may enter into an agreement, in writing, with the claimant, to refer the matter in controversy, whether the same be of a legal or equitable nature, to one or more disinterested persons, not exceeding three, whose proceedings shall be the same in all respects as if such reference had been ordered in an action. Such agreement to refer, and the award thereupon, shall be filed in the clerk's office where the letters were granted, and shall be a lawful voucher for the personal representative. The same may be impeached in any proceeding against the personal representative for fraud therein: Provided, that the right to refer claims under this section shall extend to claims in favor of the estate as well as those against the estate. (1868-9, c. 113, s. 34; 1872-3, c. 141; Code, s. 1426; Rev., s. 92; C. S., s. 99; 1973, c. 1329, s. 3.)

**§ 28A-19-16. Disputed claim not referred barred in three months.** — If a claim is presented to and rejected by the personal representative or collector, and not referred as provided in G.S. 28A-19-15, the claimant must, within three months, after due notice in writing of such rejection, or after some part of the claim becomes due, commence an action for the recovery thereof, or be forever barred from maintaining an action thereon. (1868-9, c. 113, s. 35; Code, s. 1427; Rev., s. 93; 1913, c. 3, s. 1; C. S., s. 100; 1961, c. 742; 1973, c. 1329, s. 3.)

**§ 28A-19-17. No lien by suit against representative.** — No lien shall be created by the commencement of a suit against a personal representative or collector. (1868-9, c. 113, s. 41; Code, s. 1432; Rev., s. 95; C. S., s. 102; 1973, c. 1329, s. 3.)

**§ 28A-19-18. When costs against representative allowed.** — No costs shall be recovered in any action against a personal representative or collector unless it appears that payment was unreasonably delayed or neglected, or that the defendant refused to refer the matter in controversy, in which case the court may award such costs against the defendant personally, or against the estate, as may be just. (1868-9, c. 113, s. 38; Code, s. 1429; Rev., s. 97; C. S., s. 103; 1973, c. 1329, s. 3.)

## ARTICLE 20.

### *Inventory.*

**§ 28A-20-1. Inventory within three months.** — Every personal representative and collector, within three months after his qualification, shall return to the clerk, on oath, a just, true and perfect inventory of all the real and personal property of the deceased, which have come to his hands, or to the hands of any person for him, which inventory shall be signed by him and be recorded by the clerk. (R. C., c. 46, s. 16; 1868-9, c. 113, s. 8; Code, s. 1396; Rev., s. 42; C. S., s. 48; 1973, c. 1329, s. 3; 1975, c. 300, s. 8.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, deleted the former second sentence, which required the personal

representative or collector to return to the clerk an itemized account of each sale made by him within three months after such sale.



**§ 28A-20-2. Compelling the inventory.** — (a) If the inventory specified in G.S. 28A-20-1 is not filed as prescribed, the clerk of superior court must issue an order requiring the personal representative or collector to file it within the time specified in the order, not less than 20 days, or to show cause why he should not be removed from office. If, after due service of the order, the personal representative or collector does not on or before the return day of the order file such inventory or obtain further time in which to file it, the clerk may remove him from office or may issue an attachment against him for a contempt and commit him until he files said inventory report.

(b) The personal representative or collector shall be personally liable for the costs of any proceeding incident to his failure to file the inventory required by G.S. 28A-20-1. Such costs shall be taxed against him by the clerk of superior court and may be collected by deduction from any commissions which may be found due the personal representative or collector upon final settlement of the estate. (1868-9, c. 113, s. 9; Code, s. 1397; Rev., s. 43; C. S., s. 49; 1929, c. 9, s. 1; 1933, c. 100; 1973, c. 1329, s. 3.)

**§ 28A-20-3. Supplemental inventory.** — (a) Whenever any property not included in the original inventory report becomes known to any personal representative or collector or whenever the personal representative or collector learns that the valuation or description of any property or interest therein indicated in the original inventory is erroneous or misleading, he shall prepare and file with the clerk of superior court a supplementary inventory in the same manner as prescribed for the original inventory. The clerk shall record the supplemental report with the original inventory.

(b) The making of the supplemental inventory shall be enforced in a manner specified in G.S. 28A-20-2. (1868-9, c. 113, s. 10; Code, s. 1398; Rev., s. 44; C. S., s. 50; 1973, c. 1329, s. 3.)

**§ 28A-20-4. Employment of appraisers.** — A personal representative or collector may, but shall not be required to, employ qualified and disinterested appraisers to assist in ascertaining the fair market value as of the date of the decedent's death of any asset the value of which may be subject to reasonable doubt. Different persons may be employed to appraise different kinds of assets. The name and address of any appraiser shall be indicated in the inventory with the asset or assets he appraised. (1973, c. 1329, s. 3.)

## ARTICLE 21.

### *Accounting.*

**§ 28A-21-1. Annual accounts.** — If an extension of time to file the final account has been granted by the clerk of superior court pursuant to G.S. 28A-21-2, the personal representative or collector shall, within 30 days after the expiration of one year from the date of his qualification and annually, so long as any of the property of the estate remains in his control, custody or possession, file in the office of the clerk of superior court an inventory and account, under oath, of the amount of property received by him, or invested by him, and the manner and nature of such investment, and his receipts and disbursements for the past year. He must produce vouchers for all payments. The clerk of superior court may examine, under oath, such accounting party, or any other person, concerning the receipts, disbursements or any other matter relating to the estate. He must carefully review and audit such account and, if he approves the account, he must endorse his approval thereon, which shall be prima facie evidence of correctness, and cause the same to be recorded. (C. C. P., s. 478; 1871-2, c. 46; Code, s. 1399; Rev., s. 99; C. S., s. 105; 1957, c. 783, s. 5; 1973, c. 1329, s. 3.)



There is no requirement that a life tenant remainderman. *Godfrey v. Patrick*, 8 N.C. App. 510, 174 S.E.2d 674 (1970).  
must account to the court or to a

**§ 28A-21-2. Final accounts.** — (a) Unless the time for filing the final account has been extended by the clerk of superior court, the personal representative or collector must file his final account for settlement within one year of his qualification or within six months after his receipt of the State inheritance tax release, whichever is later. He must produce vouchers for all payments. With the approval of the clerk of superior court, such account may be filed voluntarily at any time. In all cases, the accounting shall be reviewed, audited and recorded by the clerk of superior court in the manner prescribed in G.S. 28A-21-1.

(b) Except as provided in subsection (a), upon the expiration of six months after the day of the first publication or posting of the general notice to creditors as provided for in G.S. 28A-14-1, if all of the debts and other claims against the estate of the decedent duly presented and legally owing have been paid in the case of a solvent estate or satisfied pro rata according to applicable statutes in the case of an insolvent estate, the personal representative or collector may file his final account to be reviewed, audited and recorded by the clerk of superior court. Nothing in this subsection shall be construed as limiting the right of the surviving spouse or minor children to file for allowances under G.S. 30-15 through 30-18 and the right of a surviving spouse to file for property rights under G.S. 29-30. (C. C. P., s. 481; Code, s. 1402; Rev., s. 103; C. S., s. 109; 1973, c. 1329, s. 3; 1975, c. 637, s. 5.)

**Editor's Note.** — The 1975 amendment added State inheritance tax release, whichever is later" "or within six months after his receipt of the at the end of the first sentence of subsection (a).

**§ 28A-21-3. What accounts must contain.** — Accounts filed with the clerk of superior court pursuant to G.S. 28A-21-1, signed and under oath, shall contain:

- (1) The period which the account covers and whether it is an annual accounting or a final accounting;
- (2) The amount and value of the property of the estate according to the inventory and appraisal or according to the next previous accounting, the amount of income and additional property received during the period being accounted for, and all gains from the sale of any property or otherwise;
- (3) All payments, charges, losses, and distributions;
- (4) The property on hand constituting the balance of the account, if any; and
- (5) Such other facts and information determined by the clerk to be necessary to an understanding of the account. (1973, c. 1329, s. 3.)

**§ 28A-21-4. Clerk may compel account.** — If any personal representative or collector fails to account as directed in G.S. 28A-9-3, G.S. 28A-21-1 or G.S. 28A-21-2 or renders an unsatisfactory account, the clerk of superior court shall, upon his own motion or upon the request of one or more creditors of the decedent or other interested party, promptly order such personal representative or collector to render a full satisfactory account within 20 days after service of the order. If, after due service of the order, the personal representative or collector does not on or before the return day of the order file such account, or obtain further time in which to file it, the clerk may remove him from office or may issue an attachment against him for a contempt and commit him until he files said account. (C. C. P., s. 479; Code, s. 1400; Rev., s. 100; C. S., s. 106; 1933, c. 99; 1973, c. 1329, s. 3.)



**§ 28A-21-5. Vouchers presumptive evidence.** — Vouchers, without other proof, are presumptive evidence of disbursement, unless impeached. If lost, the accounting party must, if required, make oath to that fact setting forth the manner of loss, and state the contents and purport of the voucher. (C. C. P., s. 480; Code, s. 1401; Rev., s. 101; C. S., s. 107; 1973, c. 1329, s. 3.)

## ARTICLE 22.

### *Distribution.*

**§ 28A-22-1. Scheme of distribution; testate and intestate estates.** — After the payment of costs of administration, taxes and other valid claims against the decedent's estate, the personal representative shall distribute the remaining assets of the estate in accordance with the terms of decedent's valid probated will or the provisions of Chapter 29 of the General Statutes or as otherwise lawfully authorized. (1973, c. 1329, s. 3.)

**§ 28A-22-2. Shares of after-born and after-adopted children.** — The share of an after-born or after-adopted child, as provided by G.S. 29-9 and G.S. 31-5.5, shall be allotted to him out of any undivided real or personal property, or out of both, if there is enough such undivided property for that purpose. If there is no undivided real or personal property, or if there is not enough, then the whole of the child's share, or the deficiency, shall be made up from the devised real or personal property, or from both. The portion contributed by a devisee shall bear the same ratio to his devise as the after-born or after-adopted child's share bears to the net estate. (1868-9, c. 113, ss. 108, 109; Code, ss. 1536, 1537; Rev., ss. 138, 139; C. S., ss. 141, 142; 1973, c. 1329, s. 3.)

**§ 28A-22-3. Special proceeding against unknown heirs of decedent before distribution of estate.** — If there may be heirs, born or unborn, of the decedent, other than those known to the personal representative and whose names and residences are unknown, before distributing such estate the personal representative is authorized to institute a special proceeding before the clerk of superior court for the purpose of determining who are the heirs of the decedent. All unknown heirs of the decedent shall be made parties thereto and shall be served with summons by publication as provided by G.S. 1A-1, Rule 4. Upon such service being had, the court shall appoint some discreet person to act as guardian ad litem for said unknown heirs and summons shall issue as to such guardian ad litem. Said guardian ad litem shall file answer on behalf of said unknown heirs and he may be paid for his services such sum as the court may fix, to be paid as other costs out of the estate. Upon the filing of the answer by said guardian ad litem all such unknown heirs shall be before the court for the purposes of the proceeding to the same extent as if each had been personally served with summons. Any judgment entered by the court in such proceeding shall be as binding upon said unknown heirs as if they were personally before the court and any payment or distribution made by the personal representative under orders of the court shall have the effect of fully discharging such personal representative and any sureties on his official bond to the full extent of such payment or distribution as ordered. (1957, c. 1248; 1973, c. 1329, s. 3.)

**§ 28A-22-4. Distribution to nonresident trustee only upon appointment of process agent.** — (a) No assets of the estate of a decedent subject to administration in this State shall be delivered or transferred to a trustee of a testamentary trust or an inter vivos trust who is a nonresident of this State who has not appointed a resident agent for the service of civil process for actions or proceedings arising out of the administration of the trust with regard to such property.



(b) If property is delivered or transferred to a trustee in violation of this section, process may be served outside this State or by publication, as provided by G.S. 1A-1, Rule 4, and the courts of this State shall have the same jurisdiction over the trustee as might have been obtained by service upon a properly appointed process agent. The provisions of this section with regard to jurisdiction shall be in addition to other means of obtaining jurisdiction permissible under the laws of this State. (1967, c. 947; 1973, c. 1329, s. 3.)

**§ 28A-22-5. Distribution of assets in kind in satisfaction of bequests and transfers in trust for surviving spouse.** — Whenever under any will or trust indenture the executor, trustee or other fiduciary is required to, or has an option to, satisfy a bequest or transfer in trust to or for the benefit of the surviving spouse of a decedent by a transfer of assets of the estate or trust in kind at the values as finally determined for federal estate tax purposes, the executor, trustee or other fiduciary shall, in the absence of contrary provisions in such will or trust indenture, be required to satisfy such bequest or transfer by the distribution of assets fairly representative of the appreciation or depreciation in the value of all property available for distribution in satisfaction of such bequest or transfer. (1965, c. 764, s. 1; 1973, c. 1329, s. 3.)

**§ 28A-22-6. Agreements with taxing authorities to secure benefit of federal marital deduction.** — The executor, trustee, or other fiduciary having discretionary powers under a will or trust indenture with respect to the selection of assets to be distributed in satisfaction of a bequest or transfer in trust to or for the benefit of the surviving spouse of a decedent shall be authorized to enter into agreements with the Commissioner of Internal Revenue of the United States of America, and other taxing authorities, requiring the fiduciary to exercise the fiduciary's discretion so that cash and other properties distributed in satisfaction of such bequest or transfer in trust will be fairly representative of the net appreciation or depreciation in value on the date, or dates, of distribution of all property then available for distribution in satisfaction of such bequest or transfer in trust. Any such fiduciary shall be authorized to enter into any other agreement not in conflict with the express terms of the will or trust indenture that may be necessary or advisable in order to secure for federal estate tax purposes the appropriate marital deduction available under the Internal Revenue Laws of the United States of America and to do and perform all acts incident to such purpose. (1965, c. 744; 1973, c. 1329, s. 3.)

**§ 28A-22-7. Distribution to parent or guardian of a minor.** — (a) If a devise or legacy of personal property to a person under the age of 18 has a total value of less than one thousand five hundred dollars (\$1,500), and the devisee or legatee is residing in the same household with a parent or a guardian appointed prior to the decedent's death, the personal representative may distribute to the parent or guardian the devise or legacy. However, such distribution shall only be made with the prior approval of the clerk of court who issued the letters testamentary or of administration.

(b) If such distribution has been made the parent or guardian shall use the property solely for the education, maintenance and support of the devisee or legatee. However, the parent or guardian shall not be required to file an accounting with the clerk of court or to the personal representative, nor shall such distribution be cause for a delay in the filing of the personal representative's final account under the provisions of Article 21 of this Chapter.

(c) This section establishes a procedure that is separate from the provisions of G.S. 33-69.1 and it is not the intention of this section to repeal in whole or in part the provisions of G.S. 33-69.1.

(d) This section may also be applied to several devises or legacies of personal property to a single devisee or legatee having a combined total value of less than one thousand five hundred dollars (\$1,500). (1975, c. 813, s. 1.)



**Editor's Note.** — Session Laws 1975, c. 813, s. 2, provides: "The provisions of G.S. 28A-22-7 shall apply to the estates of decedents being administered under the provisions of Chapter 28A as the same appears in the 1974 Cumulative

Supplement to Volume 2A of the General Statutes."

Session Laws 1975, c. 813, s. 3, makes the section effective Oct. 1, 1975.

## ARTICLE 23.

### *Settlement.*

**§ 28A-23-1. Settlement after final account filed.** — When the personal representative or collector has paid or otherwise satisfied or provided for all claims against the estate, has distributed the remainder of the estate pursuant to G.S. 28A-22-1 and has filed his final account for settlement pursuant to G.S. 28A-22-5, if the clerk of superior court, after review of the personal representative's or collector's final account, approves the same, he shall enter an order discharging the personal representative or collector from further liability. (1973, c. 1329, s. 3.)

**Editor's Note.** — The reference to § 28A-22-5 in this section should be to § 28A-21-2.

**§ 28A-23-2. Payment into court of fund due minor.** — When any personal representative or collector holds property due a minor without a guardian and desires to file his petition for settlement, he may deliver the property to the clerk of superior court who shall invest upon interest or otherwise manage said property for the use of the minor or the clerk may proceed to appoint a guardian for the minor pursuant to the provisions of Chapter 33 of the General Statutes and then may deliver the property of the minor to the guardian. (1868-9, c. 113, s. 97; Code, s. 1526; 1893, c. 317; Rev., s. 151; C. S., s. 153; 1965, c. 815, s. 3; 1973, c. 1329, s. 3.)

**§ 28A-23-3. Commissions allowed personal representatives; representatives guilty of misconduct or default.** — (a) Personal representatives, testamentary trustees, collectors, or other fiduciaries shall be entitled to commissions to be fixed in the discretion of the clerk of superior court not to exceed five percent (5%) upon the amounts of receipts, including the value of all personal property when received, and upon the expenditures made in accordance with law, which commissions shall be charged as a part of the costs of administration and, upon allowance, may be retained out of the assets of the estate against creditors and all other persons claiming an interest in the estate. Provided, however, when the gross value of an estate is two thousand dollars (\$2,000) or less, the clerk of superior court is authorized and empowered to fix the commission to be received by the personal representative, testamentary trustee, collector or other fiduciary in an amount as he, in his discretion, deems just and adequate.

(b) In determining the amount of such commissions, both upon personal property received and upon expenditures made, the clerk of superior court shall consider the time, responsibility, trouble and skill involved in the management of the estate. Where real property is sold to pay debts or legacies, the commission shall be computed only on the proceeds actually applied in the payment of debts or legacies.

(c) The clerk of superior court may allow commissions from time to time during the course of the administration, but the total commissions allowed shall be determined on final settlement of the estate and shall not exceed the limit fixed in this section.

(d) Nothing in this section shall be construed:



- (1) To prevent the clerk of the superior court from allowing reasonable sums for necessary charges and disbursements incurred in the management of the estate; or
- (2) To allow commissions on distribution of the shares of heirs or on distribution of shares of devisees; or
- (3) To abridge the right of any party interested in the administration of a decedent's estate to appeal an order of the clerk of superior court to a judge of superior court.

(e) No personal representative, testamentary trustee, collector or other fiduciary, who has been guilty of such default or misconduct in the due execution of his office resulting in the revocation of his appointment under the provisions of G.S. 28A-9-1, shall be entitled to any commission under the provisions of this section.

(f) For the purpose of computing commissions whenever any portion of the dividends, interest, rents or other amounts payable to a personal representative, trustee, collector or other fiduciary is required by any law of the United States or other governmental unit to be withheld for income tax purposes by the person, corporation, organization or governmental unit paying the same, the amount so withheld shall be deemed to have been received and expended. (1868-9, c. 113, s. 95; 1869-70, c. 189; Code, s. 1524; Rev., s. 149; C. S., s. 157; 1941, c. 124; 1953, c. 855; 1959, c. 622; c. 879, s. 8; 1961, cc. 362, 575; 1973, c. 1329, s. 3.)

**Discretion of Clerk.** — Commissions of an administrator of the estate of a decedent are to be fixed in the discretion of the clerk of superior court subject to the maximum provided by statute. This requires exercise of judicial discretion and judgment by the clerk, who has original jurisdiction in the matter. *In re Green*, 9 N.C. App. 326, 176 S.E.2d 19 (1970).

**A Testator May Stipulate in His Will The Compensation to Be Paid.** — Ordinarily, where the will expressly stipulates the compensation to be allowed an executor, the executor, by qualifying, is deemed to have accepted a bargain and is bound thereby even though the will stipulates compensation in a sum less than the five percent maximum allowed by statute. *Wachovia Bank & Trust Co. v. Morgan*, 279 N.C. 265, 182 S.E.2d 356 (1971).

**Trustee May Purchase Special Skills.** — Where special skills are required, a trustee is

entitled to purchase such skills at the expense of the trust estate in order to accomplish the trust purpose. *Wachovia Bank & Trust Co. v. Morgan*, 279 N.C. 265, 182 S.E.2d 356 (1971).

Where the trust income could best be applied to meet the charitable purposes through the advice of an advisory board assisted by a full-time director, and without such assistance the trust would be lacking in adequate direction the trial court correctly allowed the trustees to employ skilled assistance in the administration of the trust and to charge the reasonable cost for such assistance to trust income. *Wachovia Bank & Trust Co. v. Morgan*, 279 N.C. 265, 182 S.E.2d 356 (1971).

**A reasonable fee for legal advice and assistance** in the management of a trust estate is allowable as a necessary expense of the trust estate. *Tripp v. Tripp*, 17 N.C. App. 64, 193 S.E.2d 366 (1972).

**§ 28A-23-4. Counsel fees allowable to attorneys serving as representatives.** — The clerk of superior court, in his discretion, is authorized and empowered to allow counsel fees to an attorney serving as a personal representative, testamentary trustee, collector, or other fiduciary (in addition to the commissions allowed him as such representative or fiduciary) where such attorney in behalf of the estate or trust he represents renders professional services, as an attorney, which are beyond the ordinary routine of administration and of a type which would reasonably justify the retention of legal counsel by any such representative or fiduciary not himself licensed to practice law. (1957, c. 375; 1973, c. 1329, s. 3.)

**§ 28A-23-5. Reopening administration.** — If, after an estate has been settled and the personal representative discharged, other property of the estate shall be discovered, or if it shall appear that any necessary act remains unperformed on the part of the personal representative, or for any other proper



cause, the clerk of superior court, upon the petition of any person interested in the estate and without notice or upon such notice as he may direct, may order that said estate be reopened. He may reappoint the personal representative or appoint another personal representative to administer such property or perform such acts as may be deemed necessary. Unless the clerk of superior court shall otherwise order, the provisions of this Chapter as to an original administration shall apply to the proceedings had in the reopened administration; but no claim which is already barred can be asserted in the reopened administration. (1973, c. 1329, s. 3.)

## ARTICLE 24.

### *Uniform Simultaneous Death Act.*

**§ 28A-24-1. Disposition of property where no sufficient evidence of survivorship.** — Where the title to property or the devolution thereof depends upon priority of death and there is no sufficient evidence that the persons have died otherwise than simultaneously, the property of each person shall be disposed of as if he had survived, except as provided otherwise in this Article. (1947, c. 1016, s. 1; 1973, c. 1329, s. 3.)

**§ 28A-24-2. Beneficiaries of another person's disposition of property.** — (a) Other than as provided in subsection (b) below, if property is so disposed of that the right of a beneficiary to succeed to any interest therein is conditional upon his surviving another person and both persons die, and there is no sufficient evidence that the two have died other than simultaneously, the beneficiary shall be deemed not to have survived.

(b) If property is so disposed of that it is to be distributed among such members of a class as survive another person and there is no sufficient evidence that one or more members of the class and such other person died other than simultaneously, each member of the class so dying will be deemed to have survived such other person.

(c) If property is so disposed of that its disposition depends upon the time of death of two or more beneficiaries designated to take alternatively by reason of survivorship and there is no sufficient evidence that such beneficiaries have died otherwise than simultaneously, the property thus disposed of shall be divided into as many equal portions as there are alternative beneficiaries who would have taken the whole property if they had survived and such portions shall be distributed respectively to each such beneficiary. (1947, c. 1016, s. 2; 1973, c. 1329, s. 3.)

**§ 28A-24-3. Joint tenants or tenants by the entirety.** — (a) Where there is no sufficient evidence that two joint tenants or tenants by the entirety have died otherwise than simultaneously, the property shall be distributed one half as if one had survived and one half as if the other had survived. If there are more than two joint tenants and all of them have so died, the property thus distributed shall be in the proportion that one bears to the whole number of joint tenants.

(b) For the purpose of this section, the term "joint tenants" includes owners of property held under circumstances which entitled one or more to the whole of the property on the death of the other or others. (1947, c. 1016, s. 3; 1973, c. 1329, s. 3.)

**§ 28A-24-4. Insurance policies.** — Where the insured and the beneficiary in a policy of life or accident insurance have died and there is no sufficient evidence that they have died otherwise than simultaneously, the proceeds of the policy shall be distributed as if the insured had survived the beneficiary. (1947, c. 1016, s. 4; 1973, c. 1329, s. 3.)



**§ 28A-24-5. Article does not apply if decedent provides otherwise.** — This Article shall not apply in the case of wills, living trusts, deeds, contracts of insurance, or any other situation wherein provision has been made for distribution of property different from the provisions of this Article, or wherein provision has been made for a presumption as to survivorship which results in a distribution of property different from that herein provided. (1947, c. 1016, s. 6; 1973, c. 1329, s. 3.)

**§ 28A-24-6. Uniformity of interpretation.** — This Article shall be so construed and interpreted as to effectuate its general purpose to make uniform the law in those states which enact it. (1947, c. 1016, s. 7; 1973, c. 1329, s. 3.)

**§ 28A-24-7. Short title.** — This Article may be cited as the Uniform Simultaneous Death Act. (1947, c. 1016, s. 8; 1973, c. 1329, s. 3.)

## ARTICLE 25.

### *Small Estates.*

**§ 28A-25-1. Property collectible by affidavit; contents of affidavit.** — (a) When a decedent dies intestate leaving personal property, less liens and encumbrances thereon, not exceeding five thousand dollars (\$5,000) in value, at any time after 30 days from the date of death, any person indebted to the decedent or having possession of tangible personal property or an instrument evidencing a debt, obligation, stock or chose in action belonging to the decedent shall make payment of the indebtedness or deliver the tangible personal property or an instrument evidencing a debt, obligation, stock or chose in action to a person claiming to be an heir of the decedent, not disqualified under G.S. 28A-4-2, upon being presented a certified copy of an affidavit filed in accordance with subsection (b) and made by or on behalf of the heir stating:

- (1) The name and address of the affiant and the fact that he or she is an heir of the decedent;
- (2) The name of the decedent and his residence at time of death;
- (3) The date and place of death of the decedent;
- (4) That 30 days have elapsed since the death of the decedent;
- (5) That the value of all the personal property owned by the estate of the decedent, less liens and encumbrances thereon, does not exceed five thousand dollars (\$5,000);
- (6) That no application or petition for appointment of a personal representative is pending or has been granted in any jurisdiction;
- (7) The names and addresses of those persons who are entitled, under the provisions of the Intestate Succession Act, to the personal property of the decedent and their relationship, if any, to the decedent; and
- (8) A description sufficient to identify each tract of real property owned by the decedent at the time of his death.

(b) Prior to the recovery of any assets of the decedent, a copy of the affidavit described in subsection (a) shall be filed in the office of the clerk of superior court of the county where the decedent had his domicile at the time of his death. The affidavit shall be filed by the clerk upon payment of the fee provided in G.S. 7A-308(a)(11), shall be indexed in the index to estates, and a copy thereof shall be mailed by the clerk to the persons shown in the affidavit as entitled to the personal property.

(c) The presentation of an affidavit as provided in subsection (a) shall be sufficient to require the transfer to the affiant or his designee of the title and license to a motor vehicle registered in the name of the decedent owner; the ownership rights of a savings account or checking account in a bank in the name of the decedent owner; the ownership rights of a savings account or share



certificate in a credit union, building and loan association, or savings and loan association in the name of the decedent owner; the ownership rights in any stock or security registered on the books of a corporation in the name of a decedent owner; or any other property or contract right owned by decedent at the time of his death. (1973, c. 1329, s. 3; 1975, c. 300, s. 9.)

**Editor's Note.** — The 1975 amendment, following "mailed" near the end of the second effective Oct. 1, 1975, inserted "by the clerk" sentence of subsection (b).

**§ 28A-25-2. Effect of affidavit.** — The person paying, delivering, transferring, or issuing personal property or the evidence thereof pursuant to an affidavit meeting the requirements of G.S. 28A-25-1(a) is discharged and released to the same extent as if he dealt with a duly qualified personal representative of the decedent. He is not required to see to the application of the personal property or evidence thereof or to inquire into the truth of any statement in the affidavit. If any person to whom an affidavit is delivered refuses to pay, deliver, transfer, or issue any personal property or evidence thereof, it may be recovered or its payment, delivery, transfer, or issuance compelled upon proof of their right in an action brought for that purpose by or on behalf of the persons entitled thereto. The court costs and attorney's fee incident to the action shall be taxed against the person whose refusal to comply with the provisions of G.S. 28A-25-1(a) made the action necessary. The heir or creditor to whom payment, delivery, transfer or issuance is made is answerable and accountable therefor to any duly qualified personal representative or collector of the decedent's estate or to any other person having an interest in the estate. (1973, c. 1329, s. 3.)

**§ 28A-25-3. Disbursement and distribution of personal property collected by affidavit.** — (a) If there has been no personal representative or collector appointed by the clerk of superior court, the heir or creditor who has collected personal property of the decedent by affidavit pursuant to G.S. 28A-25-1 shall:

- (1) Disburse and distribute the same in the following order:
  - a. To the payment of the surviving spouse's year's allowance and the children's year's allowance assigned in accordance with G.S. 30-15 through G.S. 30-33;
  - b. To the payment of the debts and claims against the estate of the decedent in the order of priority set forth in G.S. 28A-19-6, or to the reimbursement of any person who has already made payment thereof;
  - c. To the distribution of the remainder of the personal property to the persons entitled thereto under the provisions of the Intestate Succession Act; and

- (2) File an affidavit with the clerk of superior court that he has collected the personal property of the decedent and the manner in which he has disbursed and distributed the same.

(b) Nothing in this section shall be construed as changing the rule of G.S. 28A-15-1 and 28A-15-5 rendering both real and personal property, without preference or priority, available for the discharge of debts and other claims against the estate of the decedent. (1973, c. 1329, s. 3.)

**§ 28A-25-4. Clerk may compel compliance.** — If any heir who has collected personal property of the decedent by affidavit pursuant to G.S. 28A-25-1 shall fail to make distribution or file affidavit as required by G.S. 28A-25-3, the clerk of superior court may, upon his own motion or at the request of any interested person, issue an attachment against him for a contempt and commit him until he makes proper distribution and files the affidavit. (1973, c. 1329, s. 3.)



**§ 28A-25-5. Subsequently appointed personal representative or collector.** — Nothing in this Article shall preclude any interested person, including the affiant, from petitioning the clerk of superior court for the appointment of a personal representative or collector to conclude the administration of the decedent's estate. If such is done, the affiant who has been collecting personal property by affidavit shall cease to do so, shall deliver all assets in his possession to the personal representative, and shall render a proper accounting to the personal representative or collector. A copy of the accounting shall also be filed with the clerk having jurisdiction over the personal representative or collector. (1973, c. 1329, s. 3; 1975, c. 300, s. 10.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, added the last sentence.

**§ 28A-25-6. Payment to clerk of money owed intestate.** — (a) As an alternative to the small estate settlement procedures of this Article, any person indebted to an intestate may satisfy such indebtedness by paying the amount of the debt to the clerk of the superior court of the county of the domicile of the intestate:

- (1) If no administrator has been appointed, and
- (2) If the amount owed by such person does not exceed two thousand dollars (\$2,000), and
- (3) If the sum tendered to the clerk would not make the aggregate sum which has come into the clerk's hands belonging to the intestate exceed two thousand dollars (\$2,000).

(b) Such payments may not be made to the clerk if the total amount paid or tendered with respect to any one intestate would exceed two thousand dollars (\$2,000), even though disbursements have been made so that the aggregate amount in the clerk's hands at any one time would not exceed two thousand dollars (\$2,000).

(c) If the sum tendered pursuant to this section would make the aggregate sum coming into the clerk's hands with respect to any one intestate exceed two thousand dollars (\$2,000) the clerk shall appoint an administrator, or the sum may be administered under the preceding sections of this Article.

(d) If it appears to the clerk after making a preliminary survey that disbursements pursuant to this section would not exhaust funds received pursuant to this section, he may, in his discretion, appoint an administrator, or the funds may be administered under the preceding sections of this Article.

(e) The receipt from the clerk of the superior court of a payment purporting to be made pursuant to this section is a full release to the debtor for the payment so made.

(f) If no administrator has been appointed, the clerk of superior court shall disburse the money received under this section for the following purposes and in the following order:

- (1) To pay the surviving spouse's year's allowance and children's year's allowance assigned in accordance with law;
- (2) To pay any lawful claims for funeral expenses of the deceased, not to exceed six hundred dollars (\$600.00) as a preferred claim, or to reimburse any person for the payment thereof;
- (3) To pay any lawful claims for hospital, medical and doctor's bills for the last illness of the deceased, such period of last illness not to exceed 12 months, or to reimburse any person for the payment thereof.

After the death of a spouse who died intestate and after the disbursements have been made in accordance with this subsection, the balance in the clerk's hands belonging to the estate of the intestate shall be paid to the surviving



spouse, and if there is no surviving spouse, the clerk shall pay it to the heirs or distributees in proportion to their respective interests.

(g) The clerk shall not be required to publish notice to creditors.

(h) Whenever an administrator is appointed after a clerk of superior court has received any money pursuant to this section, the clerk shall pay to the administrator all funds which have not been disbursed. The clerk shall receive no commissions for payments made to the administrator, and the administrator shall receive no commission for receiving such payments. (1921, c. 93; Ex. Sess. 1921, c. 65; C. S., s. 65(a); Ex. Sess. 1924, cc. 15, 58; 1927, c. 7; 1929, cc. 63, 71, 121; 1931, c. 21; 1933, cc. 16, 94; 1935, cc. 69, 96, 367; 1937, cc. 13, 31, 55, 121, 336, 377; 1939, cc. 383, 384; 1941, c. 176; 1943, cc. 24, 114, 138, 560; 1945, cc. 152, 178, 555; 1947, cc. 203, 237; 1949, cc. 17, 81, 691, 762; 1951, c. 380, s. 1; 1955, c. 1246, ss. 1-3; 1957, c. 491; 1959, c. 795, ss. 1-4; 1965, c. 576, s. 1; 1973, c. 23; c. 1329, s. 1; 1975, c. 344.)

**Editor's Note.** — This section combines former §§ 28-68, 28-68.1, 28-68.2 and 28-68.3. The provisions of the former sections were rewritten, combined and transferred to their present position by Session Laws 1975, c. 344, effective Oct. 1, 1975.

## ARTICLE 26.

### *Foreign Personal Representatives and Ancillary Administration.*

**§ 28A-26-1. Domiciliary and ancillary probate and administration.** — The domiciliary, or original, administration of the estates of all decedents domiciled in North Carolina at the time of death shall be under the jurisdiction of this State and of a proper clerk of superior court in this State, and the original probate of all wills of such persons shall be in this State. Any administration of the estate and any probate of a will of such decedents outside North Carolina shall be ancillary only. All assets, except real estate (but including proceeds from the sale of real estate), subject to ancillary administration in a jurisdiction outside North Carolina shall, to the extent such assets are not necessary for the requirements of such ancillary administration, be transferred and delivered by the ancillary personal representative to the duly qualified personal representative in this State for administration and distribution by the domiciliary personal representative, and the domiciliary personal representative in this State shall have the duty of collecting all such assets from the ancillary personal representative. The receipt of the domiciliary personal representative shall fully acquit the ancillary personal representative with respect to the assets covered thereby. The domiciliary personal representative in North Carolina shall have the exclusive right and duty to pay all federal and North Carolina taxes owed by the estate of such decedent and to make proper distribution of all assets including those collected from the ancillary personal representative. (1963, c. 634; 1973, c. 1329, s. 3.)

**§ 28A-26-2. Payment of debt and delivery of property to domiciliary personal representative of a nonresident decedent without ancillary administration in this State.** — (a) At any time after the expiration of 60 days from the death of a nonresident decedent, any resident of this State indebted to the estate of the nonresident decedent or having possession or control of personal property, or of an instrument evidencing a debt, obligation, stock or chose in action belonging to the estate of the nonresident decedent may pay the debt or deliver the personal property, or the instrument evidencing the debt, obligation, stock or chose in action, to the domiciliary personal representative of the nonresident decedent upon being presented with a certified or exemplified copy of his letters of appointment and an affidavit made by or on behalf of the domiciliary personal representative stating:



- (1) The date of the death of the nonresident decedent;
- (2) That to the best of his knowledge no administration, or application or petition therefor, is pending in this State;
- (3) That the domiciliary personal representative is entitled to payment or delivery.

(b) Payment or delivery made in good faith on the basis of the proof of appointment as domiciliary personal representative of a nonresident decedent and an affidavit meeting the requirements of subsection (a) constitutes a release to the same extent as if payment or delivery had been made to an ancillary personal representative.

(c) Payment or delivery under this section shall not be made if a resident creditor of the nonresident decedent has, by registered or certified mail, notified the resident debtor of the nonresident decedent or the resident having possession of the personal property belonging to the nonresident decedent that the debt should not be paid nor the property delivered to the domiciliary personal representative of the nonresident decedent. If no ancillary administrator qualifies within 90 days from the date of the notice, however, the resident debtor may pay the debt or deliver the property directly to the nonresident domiciliary personal representative as set forth in subsection (a) of this section. (1973, c. 1329, s. 3; 1975, c. 300, s. 11.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, inserted "by registered or certified mail" near the beginning of the first

sentence of subsection (c) and added the second sentence of subsection (c).

**§ 28A-26-3. Ancillary administration.** — (a) Any domiciliary personal representative of a nonresident decedent upon the filing of a certified or exemplified copy of letters of appointment with the clerk of superior court who has venue under G.S. 28A-3-1 may be granted ancillary letters in this State notwithstanding that the domiciliary personal representative is a nonresident of this State or is a foreign corporation. If the domiciliary personal representative is a foreign corporation, it need not qualify under any other law of this State to authorize it to act as ancillary personal representative in the particular estate. If application is made for the issuance of ancillary letters to the domiciliary personal representative, the clerk of superior court shall give preference in appointment to the domiciliary personal representative unless the decedent shall have otherwise directed in a will.

(b) If, within 90 days after the death of the nonresident, or within 60 days after issue of domiciliary letters, should that be a shorter period, no application for ancillary letters has been made by a domiciliary personal representative, any person who could apply for issue of letters had the decedent been a resident may apply for issue of ancillary letters.

If it is known that there is a duly qualified domiciliary personal representative, the clerk of superior court shall send notice of such application, by registered mail, to that personal representative and to the appointing court. Such notice shall include a statement that, within 14 days after its mailing, the domiciliary personal representative may apply for the issue of ancillary letters with the preference specified in subsection (a) of this section; and that his failure to do so will be deemed a waiver, with the result that letters will be issued to another. Upon such failure, the clerk of superior court may issue ancillary letters in accordance with the provisions of Article 4 of this Chapter.

If the applicant and the clerk of superior court have no knowledge of the existence of a domiciliary personal representative, the clerk of superior court may proceed to issue ancillary letters. Subsequently, upon it becoming known that a domiciliary personal representative has been appointed, whether such appointment occurred before or after the issue of ancillary letters, the clerk of



superior court shall notify the domiciliary personal representative, by registered mail, of the action taken by the clerk of superior court and the state of the ancillary administration. Such notice shall include a statement that at any time prior to approval of the ancillary personal representative's final account the domiciliary personal representative may appear in the proceedings for any purpose he may deem advisable; and that he may apply to be substituted as ancillary personal representative, but that such request will not be granted unless the clerk of superior court finds that such action will be for the best interests of North Carolina administration of the estate. (1973, c. 1329, s. 3.)

**§ 28A-26-4. Bonds.** — (a) Subject to the exception in subsection (b), any personal representative, including a domiciliary personal representative, who is granted ancillary letters of administration in this State must satisfy the bond requirements prescribed in Article 8 of this Chapter.

(b) Where a citizen or subject of a foreign country, or of any other state or territory of the United States, by will sufficient according to the laws of this State, and duly probated and recorded in the proper county, devises to his executor, with power to sell and convey, real property situated in this State in trust for a person named in the will, the power being vested in the executor as such trustee, the executor may execute the power without giving bond in this State. (1911, c. 176; C. S., s. 37; Ex. Sess. 1920, c. 86; 1945, c. 652; 1957, c. 320; 1969, c. 1067, ss. 1, 2; 1973, c. 1329, s. 3.)

**§ 28A-26-5. Authority of domiciliary personal representative of a nonresident decedent.** — The domiciliary personal representative of the nonresident decedent after qualifying as ancillary personal representative in this State is authorized to administer the North Carolina estate of the nonresident decedent in accordance with the provisions of this Chapter. (1973, c. 1329, s. 3.)

**§ 28A-26-6. Jurisdiction.** — (a) A domiciliary personal representative of a nonresident decedent may invoke the jurisdiction of the courts of this State after qualifying as ancillary personal representative in this State except that he may invoke such jurisdiction prior to qualification for the purpose of appealing from a decision of the clerk of superior court regarding a question of qualification.

(b) A domiciliary personal representative of a nonresident decedent submits to the jurisdiction of the courts of this State:

- (1) As provided in G.S. 1-75.4; or
- (2) By receiving payment of money or taking delivery of personal property under G.S. 28A-26-2; or
- (3) By acceptance of ancillary letters of administration in this State under G.S. 28A-26-3; or
- (4) By doing any act as personal representative in this State which if done as an individual would have given the State jurisdiction over him as an individual. (1973, c. 1329, s. 3.)

**§ 28A-26-7. Service on personal representative of a nonresident decedent.** — A court of this State having jurisdiction of the subject matter and grounds for personal jurisdiction as provided in G.S. 28A-26-6 may exercise personal jurisdiction over a defendant by service of process in accordance with the provisions of G.S. 1A-1, Rule 4(j). (1973, c. 1329, s. 3.)

**§ 28A-26-8. Duties of personal representative in an ancillary administration.** — (a) All assets of estates of nonresident decedents being administered in this State are subject to all claims, allowances and charges existing or established against the estate of the decedent wherever existing or established.



(b) An adjudication of a claim rendered in any jurisdiction in favor of or against any personal representative of the estate of a nonresident decedent is binding on the ancillary personal representative in this State and on all parties to the litigation.

(c) Limitations on presentation of claims shall be governed by the provisions of this Chapter except that creditors residing in the domiciliary state barred by the statutes of that state may not file claims in an ancillary administration in this State.

(d) In the payment of claims by the ancillary administrator, the following rules shall apply:

- (1) If the value of the entire estate, wherever administered, equals or exceeds family exemptions and allowances, prior charges and claims against the entire estate, the claims allowed in this State shall be paid in full from assets in this State, if such assets are sufficient for the purpose.
- (2) If such total exemptions, allowances, charges and claims exceed the value of the entire estate, the claims allowed in this State shall be paid their proper percentage pro rata by class, if assets in this State are sufficient for the purpose.
- (3) If assets in this State are inadequate for either of the purposes stated in subdivisions (1) or (2) above, the claims allowed in this State shall be paid, pro rata by class, to the extent the local assets will permit.
- (4) If the value of the entire estate, wherever administered, is insufficient to pay all exemptions and allowances, prior charges and claims against the entire estate, the priority for order of payment established by the law of the domicile will prevail. (1973, c. 1329, s. 3; 1975, c. 19, ss. 10, 11.)

**Editor's Note.** — The 1975 amendment "class" in subdivisions (2) and (3) of subsection deleted "as provided by G.S. 28A-19-6" following (d).

**§ 28A-26-9. Remission of surplus assets by ancillary personal representative to domiciliary personal representative.** — Unless a testator in a will otherwise directs, any assets (including proceeds from the sale of real estate) remaining after payment of claims against the estate of a nonresident decedent being administered by an ancillary personal representative other than the domiciliary personal representative shall be transferred and delivered to the domiciliary personal representative or, if none, to the court in the domicile of the decedent which has jurisdiction to administer the estate. (1973, c. 1329, s. 3.)



## Chapter 28B.

## Estates of Absentees in Military Service.

Sec.

28B-1. Absentee in military service; definition.

28B-2. Action for receiver; jurisdiction; contents of complaint.

28B-3. Notice; hearing; guardian ad litem.

28B-4. Order of appointment.

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Sec.

28B-7. Resignation and removal.

28B-8. Termination of receivership.

28B-9. Specific property valued at less than \$5,000; summary procedure.

28B-10. Specific property valued at more than \$5,000; summary procedure.

**§ 28B-1. Absentee in military service; definition.** — Any person serving in or with the armed forces of the United States, in or with the Red Cross, in or with the merchant marines, during any time when a state of hostilities exists between the United States and any other power, who has been reported or listed by the appropriate federal agency as missing in action or as a prisoner of war for a period of one year, shall be an "absentee in military service" within the meaning of this Chapter. (1973, c. 522, s. 1.)

**§ 28B-2. Action for receiver; jurisdiction; contents of complaint.** — (a) Whenever any absentee in military action as defined in this Chapter has an interest in any form of property in this State and has not provided an adequate power of attorney authorizing another to act in his behalf in regard to such property or interest, any person who would have an interest in the property or estate of the absentee in military service were such absentee in military service deceased, or any person who is dependent on such absentee in military service for his maintenance or support, may commence an action for the appointment of a receiver to care for the estate of the absentee in military service by filing a verified complaint in the superior court in the county of domicile of the absentee in military service or in any county where his property is situated.

(b) The complaint shall show the following:

- (1) The name, age, address, relationship of the person filing the complaint to the alleged absentee, and the interest of that person in the property of the absentee in military service or his dependency upon the absentee in military service for his maintenance and support.
- (2) The name, age, and address of all persons who would have an interest in the estate of the absentee in military service were he deceased and the name, age, and address of all persons dependent upon him for their maintenance and support.
- (3) The name, age, and last known address of the absentee in military service.
- (4) The date on which the absentee in military service was first reported as missing or captured by the appropriate federal agency, and, as far as is known, the circumstances surrounding his absence.
- (5) The necessity for and the reasons why a receiver should be appointed.
- (6) Whether or not the person alleged to be an absentee in military service has a will and the whereabouts of said will;
- (7) So far as known, a schedule of all his property within this State, including property in which he is co-owner with or without the right of survivorship. (1973, c. 522, s. 2.)

**§ 28B-3. Notice; hearing; guardian ad litem.** — (a) Notice of the hearing on the complaint to appoint a receiver shall be given to all persons named in the petition by registered mail or certified mail with return receipt requested.

(b) The judge shall hear evidence on the questions of whether the person alleged to be missing or captured is an absentee in military service as defined



by G.S. 28B-1, on the question of the necessity for the appointment of a receiver, and on the question of who is entitled to appointment as the receiver.

(c) The court may in its discretion appoint a guardian ad litem to represent the alleged absentee in military service at the hearing. (1973, c. 522, s. 3.)

**§ 28B-4. Order of appointment.** — (a) If after the hearing, the court is satisfied that said person is, in fact, an absentee in military service as defined in G.S. 28B-1 and that it is necessary that a receiver be appointed, he shall appoint a receiver of the estate and property of said absentee in military service under the supervision and subject to the further orders of the court.

(b) In the appointment of a receiver, the court shall give due consideration to the appointment of the spouse or one of the next of kin of the absentee in military service if such spouse or next of kin is a fit and proper person and is qualified to act. (1973, c. 522, s. 4.)

**§ 28B-5. Bond; inventory; accounting.** — (a) Before receiving any property the judge shall require the receiver to qualify by giving bond in an amount and with surety approved by him.

(b) Within 30 days after the date of his appointment, the receiver shall file an inventory of all of the property of the absentee in military service taken in charge. Every year thereafter, within 30 days of the anniversary date of his appointment the receiver shall file a full and complete inventory and accounting with the clerk of superior court under oath, of the amount of property received by him, or invested by him, and the manner and nature of such investment, and his receipts and disbursements for the past year in the form of debit and credit. The clerk shall inspect and audit the inventory and accounting and if he approves the same he shall endorse his approval thereon, which shall be deemed prima facie evidence of correctness. If the clerk finds evidence of misconduct or default on the part of the receiver he shall report the same to the court. In such event, the procedures found in G.S. 28B-7(b) shall be followed. (1973, c. 522, s. 5.)

**§ 28B-6. Powers and duties of receiver.** — (a) Under the direction of a judge, the receiver shall administer the property of the absentee in military service as an equity receivership with the following powers:

- (1) To take custody and control of all property of the absentee in military service wherever situated.
- (2) To collect all debts due to the absentee in military service and pay all debts owed by him.
- (3) To bring and defend suits.
- (4) To pay insurance premiums.
- (5) With the approval of the judge in each instance, to continue to operate and manage any business enterprise, farm or farming operations, and to make necessary contracts with reference thereto.
- (6) With the approval of the judge in each instance, to renew notes and other obligations, obtain loans on life insurance policies, and pledge or mortgage property for loans necessary in carrying on or liquidating the affairs of such absentee in military service.
- (7) With the approval of the judge in each instance, to institute proceedings to partition property owned by the absentee and another as joint tenants or tenants in common, with or without the right of survivorship; provided, in the case of property owned by the absentee in military service and spouse as tenants by the entirety, such proceedings may be instituted only if the spouse of the absentee in military service consents in writing to the partitioning, and, in the event of partitioning, one half of the property or proceeds shall belong to the spouse and one half shall belong to the receiver as property of the absentee in military service.



- (8) With the approval of the judge in each instance, to sell, lease, invest, and reinvest any or all property, its income, or its proceeds.
- (9) To pay over or apply the proceeds of mortgage and sales of such portion, or all of the property or the income thereof, as may be necessary for the maintenance and support of the dependents of the absentee in military service. If the income from the property of the absentee in military service is not sufficient to pay all of his debts and to provide for the maintenance and support of his dependents, the receiver may apply to the judge for an order to sell or mortgage so much of the real or personal property as may be necessary therefor. Such sale or mortgage shall be reported to the judge, and if approved and confirmed by the judge, the receiver shall execute the required conveyances or mortgages of such property to the purchaser or lender upon his complying with the terms of sale or mortgage.

(b) The judge may, in his discretion, by written order, modify, add to, or subtract from the statutory powers granted in this section. (1973, c. 522, s. 6.)

**§ 28B-7. Resignation and removal.** — (a) A receiver appointed under authority of this Chapter may resign and his successor be appointed by complying with the provisions set forth in G.S. 36-9 through 36-18.2.

(b) If, after a receiver has been appointed, it is made to appear to the court upon the filing of a complaint or upon information received that the person appointed as receiver of the estate and property of the absentee in military service is legally incompetent, or that such person has been guilty of default or misconduct in due execution of his office, or that his appointment was obtained by false representation, or that such person has removed himself from this State, the court shall issue an order requiring such person to show cause why his appointment as a receiver should not be revoked. Upon the removal of a receiver of the estate or property of an absentee in military service, the court shall immediately appoint his successor. Pending any suit or proceeding between parties respecting such revocation, the clerk of superior court is authorized to make such interlocutory orders as may tend to better secure the estate and property of the absentee in military service. (1973, c. 522, s. 7.)

**§ 28B-8. Termination of receivership.** — (a) At any time upon petition signed by the absentee in military service, or on petition of an attorney-in-fact acting under an adequate power of attorney granted by the absentee in military service, the court shall direct the termination of the receivership and the transfer of all property held thereunder to the absentee in military service or to the designated attorney-in-fact.

(b) If at any time subsequent to the appointment of a receiver it shall appear that the absentee in military service has died and an executor or administrator has been appointed for his estate, the court shall terminate the receivership, certify all proceedings under the receivership to the clerk of superior court, and transfer all property of the deceased absentee in military service held thereunder to such executor or administrator.

(c) When the need for a receivership terminates, the receiver shall promptly file a final inventory and accounting and his application for discharge with the court. If it appears to the court that the inventory and accounting are correct and that the receiver has made full and complete transfer of the assets of the absentee in military service as directed, the court may approve the inventory and accounting and discharge the receiver. If objections to the final inventory and accounting are filed, the court shall conduct a hearing under the same conditions for a hearing on objections to the annual accounting and inventory.

(d) Such discharge shall operate as a release from the duties of the receivership and as a bar to any suit against said receiver or his surety, unless



such suit is commenced within one year from the date of discharge. (1973, c. 522, s. 8.)

**§ 28B-9. Specific property valued at less than \$5,000; summary procedure.** — (a) If the spouse of any person defined as an absentee in military service by this Chapter, or his next of kin, if said absentee in military service has no spouse, shall wish to sell or transfer any property of the absentee in military service which has a gross value of less than five thousand dollars (\$5,000), or shall require the consent of the absentee in military service in any matter regarding the children of the absentee in military service, or in any other matter in which the gross value of the subject matter is less than five thousand dollars (\$5,000), such spouse may apply to the superior court for an order authorizing said sale, transfer, or consent without opening a full receivership proceeding as provided by this Chapter. Said application shall be made by petition on the following form, which form shall be made available to the applicant by the clerk of the superior court:

STATE OF NORTH CAROLINA  
..... COUNTY

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION

In re: (*absentee*), PETITION FOR SUMMARY APPOINTMENT OF RECEIVER NOW COMES, (*name of petitioner*), petitioner in this action, pursuant to G.S. ...., and requests the Court that he be appointed a receiver to sell/transfer (*describe property*) of the value of (*value*) because (*give reasons*). Petitioner is ..... years of age, resides at (*address*) in ..... County, North Carolina, and is the (*relation*) of (*name of absentee*) who has been (*pow or mia*) since (*date of notification*). The terms of the sale/transfer are (*terms*). Petitioner requires the consent of the absentee for the purpose of (*give reasons*).

(*Signature*) .....

The above named, ....., being by me duly sworn, says the foregoing petition is true and correct to the best of his knowledge.

.....  
Notary Public  
My commission expires .....

(b) The court shall, without hearing or notice, enter an order on said petition if it deems the relief requested in said petition necessary to protect the best interest of the absentee in military service or his dependents.

(c) Such order shall be prima facie evidence of the validity of the proceedings and the authority of the petitioner to make a conveyance or transfer property or to give the consent of the absentee in military service in any matter prescribed by subsection (a). (1973, c. 522, s. 9.)

**§ 28B-10. Specific property valued at more than \$5,000; summary procedure.** — (a) If the spouse, or the next of kin if there is no spouse, of any person defined as an absentee in military service under this Chapter shall wish to sell, lease, or mortgage specific property having a gross value of five thousand dollars (\$5,000) or more owned by the absentee in military service or in which the absentee has an interest, or take specific action with respect to any interest of the absentee in military service having a gross value of five thousand dollars (\$5,000) or more, such spouse may file a complaint with the superior court for an order authorizing the action with respect to such property or interest.

(b) The complaint shall contain all of the information called for by G.S. 28B-2(b) and, in addition, shall contain a description of the specific property or interest and the disposition to be made of it.

(c) The court shall hear evidence on the question of whether the person alleged to be missing or captured is an absentee in military service as defined



by G.S. 28B-1 and on the question of whether the action in question should be authorized. Any person interested in such proceedings may intervene with leave of the court.

(d) The court may in its discretion appoint a guardian ad litem to represent the alleged absentee in military service at the hearing.

(e) If, after hearing, the court is satisfied that the person alleged to be an absentee in military service is, in fact, an absentee in military service as defined in G.S. 28B-1, and that the action is in the best interest of the absentee in military service and his dependents, the court shall enter an order appointing the petitioner as receiver for the purposes of the specific action which is the subject of the complaint and authorizing the receiver to take the specific action requested in the complaint. The court shall require the receiver to account for the proceeds of the specific sale, the specific lease, or other specific action. The court may retain jurisdiction of the proceeding to make such further orders as it deems proper.

(f) Such order shall be prima facie evidence of the validity of the proceedings and the authority of the petitioner to take the specific action requested.

(g) Other property of the absentee in military service not the specific subject of the complaint is not affected in any manner by the filing of such complaint as provided for in this section. (1973, c. 522, s. 10.)



## Chapter 28C.

## Estates of Missing Persons.

Sec.	Sec.
28C-1. Death not presumed from seven years' absence; exposure to peril to be considered.	28C-12. Termination of receivership.
28C-2. Action for receiver; contents of complaint; parties.	28C-13. Distribution of property of absentee.
28C-3. Procedure on complaint.	28C-14. Additional limitations on accounting, distribution or making claim by absentee.
28C-4. Notice to interested persons.	28C-15. When claim of absentee barred.
28C-5. Service of notices.	28C-16. Laws of administration of estates applicable.
28C-6. Procedure after notice.	28C-17. Appointment of public administrator as receiver for estate of less than \$1,000.
28C-7. Property transferred to permanent receiver by order of judge; filing of inventory; recordation of order of transfer.	28C-18. Payment of insurance policies.
28C-8. Powers and duties of permanent receiver.	28C-19. Absentee insurance fund.
28C-9. Search for absentee.	28C-20. Provisions applicable to person held incommunicado in foreign country.
28C-10. Claims against absentee.	28C-21. When agents' acts binding on estate of absentee.
28C-11. Final finding and decree.	28C-22. Provisions of Chapter severable.

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**Editor's Note.** — This Chapter was originally codified as Chapter 28A. It was transferred and redesignated Chapter 28C by Session Laws 1973, c. 1329, s. 2, effective Oct. 1, 1975. The same 1973 act repealed former Chapter 28, Administration, and enacted present Chapter 28A, Administration of Decedents' Estates.

Session Laws 1973, c. 1329, originally made effective July 1, 1975, was amended by Session Laws 1975, c. 19, s. 12, so as to make it effective as to estates of decedents dying on and after that date, and by Session Laws 1975, c. 118, so as to change the date to Oct. 1, 1975.

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**§ 28C-1. Death not presumed from seven years' absence; exposure to peril to be considered.** — (a) **Death Not to Be Presumed from Mere Absence.** — In any action under this Chapter, where the death of a person and the date thereof, or either, is in issue the fact that he has been absent from his place of residence, unheard of for seven years, or for any other period, creates no presumption requiring the judge or the jury to find that he is now deceased. The issue shall be decided by the judge or jury as one of fact upon the evidence.

(b) **Exposure to Specific Peril to Be Considered.** — If during such absence the person has been exposed to a specific peril of death, this fact shall be considered by the judge; or if there be a jury, shall be sufficient evidence to be submitted to the jury. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**Editor's Note.** — For article on estates of missing persons in North Carolina, see 44 N.C.L. Rev. 275 (1966).

**§ 28C-2. Action for receiver; contents of complaint; parties.** — (a) **Action for Receiver to Be Instituted in the Superior Court.** — If any person having an interest in any property in this State disappears and is absent from his place of residence and after diligent inquiry his whereabouts remains unknown to those persons most likely to know the same, for a period of 30 days or more, anyone who would be entitled to administer the estate of such absentee if he were deceased, or any interested person, may commence a civil action and file



a duly verified complaint in the superior court of either the county of such absentee's domicile, or the county where any of his property is situated.

(b) Contents of the Complaint. — The complaint shall contain the following:

- (1) The name, age, occupation, and last known residence or address of such absentee;
- (2) The date and circumstances of his disappearance;
- (3) So far as known, a schedule of all his property within this State, including property in which he has an interest as tenant by the entirety, and other property in which he is co-owner with or without the right of survivorship;
- (4) The names and addresses of the persons who would have an interest in the estate of such absentee if he were deceased;
- (5) The names and addresses of all persons known to the complainant to claim an interest in the absentee's property; and
- (6) A prayer, that ancillary to the principal action, a receiver be appointed by virtue of the provisions of this Chapter to take custody and control of such property of the absentee and to preserve and manage the same pending final disposition of the action as provided in G.S. 28C-11.

(c) Parties to the Action. — The absentee, all persons who would have an interest in the estate of such absentee if he were deceased, all persons known to claim an interest in the absentee's property, and all known insurers of the life of the absentee shall be made parties to the action. A guardian ad litem shall be appointed for the absentee, and shall file an answer in his behalf. (1965, c. 815, s. 1; 1973, c. 522, s. 11; c. 1329, s. 2.)

**Cross Reference.** — As to estates of prisoners of war and persons declared missing in action, see Chapter 28B.

**Editor's Note.** — Session Laws 1973, c. 522, s. 11, deleted "or is a person in the military service of the United States who has been

officially reported as missing in action" following "30 days or more" near the middle of subsection (a).

For note on requirement of notice for appointment of guardians ad litem and next friends, see 48 N.C.L. Rev. 92 (1969).

**§ 28C-3. Procedure on complaint.** — Upon the filing of the complaint referred to in G.S. 28C-2, the judge may for cause shown appoint a temporary receiver to take charge of the property of the absentee to conserve it pending hearing on the complaint. Such temporary receiver shall qualify by giving bond in an amount and with surety approved by the judge and shall exercise only the powers specified by the judge. Within 30 days after the date of his appointment, he shall file an inventory of the property taken in charge. If a permanent receiver is appointed, the temporary receiver shall transfer and deliver to the permanent receiver all property in his custody and control, less such only as may be necessary to cover his expenses and compensation as allowed by the judge, and shall file his final account, and upon its approval be discharged. If the prayer for a permanent receiver is denied, the temporary receiver shall transfer and deliver to those entitled thereto all property in his custody and control less such only as may be necessary to cover his expenses and compensation as allowed by the judge, and shall file his final account, and upon its approval be discharged. If the prayer for a permanent receiver is denied the expenses and compensation of the temporary receiver may in the discretion of the judge be taxed as costs of the action to be paid by the complainant, but if the judge finds that the complaint was brought in good faith and upon reasonable grounds, he may charge such costs against the property of the absentee. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)



**§ 28C-4. Notice to interested persons.** — Upon the filing of the inventory by the temporary receiver, the judge shall issue a notice reciting the substance of the complaint and the appointment and action of the temporary receiver. This notice shall be addressed to such absentee, to all persons who would have an interest in the estate of such absentee if he were deceased, to all persons alleged in the complaint to claim an interest in the absentee's property, and to all whom it may concern. It shall direct them to file in the court within a time fixed by the judge a written statement of the nature and extent of the interest claimed in the property, and to appear at a time and place named and show cause why a permanent receiver of the absentee's property should not be appointed to hold and dispose of the property under the provisions of this Chapter. The return day of the notice shall be not less than 30 nor more than 60 days after its date unless otherwise ordered by the judge. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-5. Service of notices.** — All notices required under this Chapter shall be served on all parties to the action and on all other persons entitled to such notice in the manner now prescribed by G.S. 1-585 through G.S. 1-592, and in addition thereto the absentee shall be served by publication once in each of four successive weeks in one or more newspapers in the county where the proceeding is pending, and one copy shall be posted in a conspicuous place upon each parcel of land shown in the temporary receiver's inventory, and one copy shall be sent by registered or certified mail with return receipt requested to the last known address of such absentee. The judge may in his discretion cause other and further notice to be given within or without the county. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-6. Procedure after notice.** — The absentee or any person entitled to notice as provided in G.S. 28C-4 may appear and show cause why a permanent receiver of the absentee's property should not be appointed to hold and dispose of the property under the provisions of this Chapter. The judge may, after the hearing, either dismiss the complaint and order that the property in the custody and control of the temporary receiver be returned to the persons entitled thereto or he may make a finding that the absentee disappeared as of a stated date and appoint a permanent receiver of the absentee's property. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-7. Property transferred to permanent receiver by order of judge; filing of inventory; recordation of order of transfer.** — Upon the permanent receiver giving bond as required by G.S. 28C-16 and its approval by the judge, the judge shall order the temporary receiver to transfer and deliver to the permanent receiver custody and control of the absentee's property, and the permanent receiver shall file with the court an inventory of the property received by him. A copy of this order as it affects any real property shall be issued by the judge and delivered to the permanent receiver who shall cause the same to be recorded in the office of the register of deeds of each county wherein such real property is situated. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-8. Powers and duties of permanent receiver.** — The permanent receiver shall under the direction of the judge administer the absentee's property as an equity receivership with the following powers:

- (1) To take custody and control of all property of the absentee wherever situated,
- (2) To collect all debts due to the absentee and to pay all debts owed by him,
- (3) To bring and defend suits,
- (4) To pay insurance premiums,
- (5) With the approval of the judge in each instance, to continue to operate and manage any business enterprise, farm or farming operations, and to make necessary contracts with reference thereto,



- (6) With the approval of the judge in each instance, to renew notes and other obligations, obtain loans on life insurance policies, and pledge or mortgage property for loans necessary in carrying on or liquidating the affairs of such absentee,
- (7) With the approval of the judge in each instance, to partition property owned by the absentee and another as joint tenants or tenants in common, with or without the right of survivorship; provided, in the case of property owned by the absentee and spouse as tenants by the entirety, such property may be partitioned only if the absentee's spouse consents in writing to the partitioning, and, in the event of partitioning, one half of the property or proceeds shall belong to the spouse and one half shall belong to the receiver as property of the absentee,
- (8) With the approval of the judge in each instance to sell, lease, invest and reinvest any or all property, its income, or its proceeds,
- (9) To pay over or apply the proceeds of loans and sales of such portion, or all of the property or the income thereof as may be necessary for the maintenance and support of the absentee's dependents; and if the income from the property of the absentee is not sufficient to pay all his debts and to provide for the maintenance and support of his dependents, the permanent receiver may apply to the judge for an order to sell or mortgage so much of the real or personal property as may be necessary therefor; each such sale or mortgage shall be reported to the judge, and if approved and confirmed by the judge, the receiver shall execute the required conveyances or mortgages of such property to the purchaser or lender upon his complying with the terms of sale or mortgage.

The judge may, in his discretion, by written order modify, add to or subtract from the statutory powers granted in this section. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-9. Search for absentee.** — The judge shall by order direct the receiver to make a search for the absentee. The order shall specify the manner in which the search is to be conducted in order to insure that, in the light of the circumstances of the particular case, a diligent and reasonable effort be made to locate the absentee. The order may prescribe any methods of search deemed advisable by the judge, but must require, as a minimum, the following:

- (1) Inquiry of persons at the absentee's home, his last known residence, the place where he was last known to have been, and other places where information would likely be obtained or where the absentee would likely have gone;
- (2) Inquiry of relatives, friends and associates of the absentee, or other persons who should be most likely to hear from or of him;
- (3) Insertion of a notice in one or more appropriate papers, periodicals or other news media, requesting information from any person having knowledge of the absentee's whereabouts; and
- (4) Notification of local, state and national offices which should be most likely to know or learn of the absentee's whereabouts. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-10. Claims against absentee.** — Immediately upon the appointment of a permanent receiver under this Chapter, the permanent receiver shall publish a notice addressed to all persons having claims against the absentee informing them of the action taken and requiring them to file their claims under oath with the permanent receiver. If any claimant fails to file his sworn claim within six months from the date of the first publication of such notice, the receiver may plead this fact in bar of his claim. Such notice shall be published in the same manner as that now prescribed by statute (G.S. 28-47) for claims against the



estate of a decedent. Any party in interest may contest the validity of any claim before the judge, on due notice given to the permanent receiver and the person whose claim is contested. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**Editor's Note.** — Section 28-47, referred to in the section above, was repealed by Session Laws 1973, c. 1329, s. 1, effective July 1, 1975. For

present provisions as to advertisement of claims, see § 28A-14-1.

**§ 28C-11. Final finding and decree.** — (a) At any time, during the receivership proceedings, upon application to the judge by any party in interest and presentation of satisfactory evidence of the absentee's death, the judge may make a final finding and decree that the absentee is dead; in which event the decree and transcript of all of the receivership proceedings shall be certified to the clerk of the superior court for any administration as may be required by law upon the estate of a decedent, and the judge shall proceed no further except for the purposes hereinafter set forth in G.S. 28C-12, subdivisions (1) and (4); or

(b) At any time during the receivership proceedings, upon application to the judge by any party in interest and presentation of satisfactory evidence of the absentee's existence and whereabouts, except as provided in G.S. 28C-20, the judge may by decree revoke his finding that he is an absentee, and the judge shall proceed no further except for the purposes hereinafter set forth in G.S. 28C-12, subdivisions (2) and (4); or

(c) After the lapse of five years from the date of the finding of disappearance provided for in G.S. 28C-6, if the absentee has not appeared and no finding and decree have been made in accordance with the provisions of either subsections (a) or (b) above, and subject to the provisions of G.S. 28C-14, the judge may proceed to take further evidence and thereafter make a final finding of such absence and enter a decree declaring that all interest of the absentee in his property, including property in which he has an interest as tenant by the entirety and other property in which he is co-owner with or without the right of survivorship, subject to the provisions of G.S. 28C-8(7), has ceased and devolved upon others by reason of his failure to appear and make claim. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-12. Termination of receivership.** — Upon the entry of any final finding and decree as provided in G.S. 28C-11, the judge shall proceed to wind up the receivership and terminate the proceedings:

- (1) In the case of a decree under G.S. 28C-11, subsection (a), that the absentee is dead:
  - a. By satisfying all outstanding expenses and costs of the receivership, and
  - b. By then deducting for the insurance fund provided in G.S. 28C-19 a sum equal to five percent (5%) of the total value of the property remaining for distribution upon settlement of the absentee's estate, including amounts paid to the estate from policies of insurance on the absentee's life, and
  - c. By then certifying the proceedings to the clerk of the superior court subject to an order by the judge administering the receivership, or
- (2) In the case of a decree under G.S. 28C-11, subsection (b), revoking the finding that the missing person is an absentee:
  - a. By satisfying all outstanding expenses and costs of the receivership, and
  - b. By then returning his remaining property to him and rendering an accounting for that property not returned; or
- (3) In the case of a decree under G.S. 28C-11, subsection (c), declaring that all interest of the absentee in his property has ceased:



- a. By satisfying all outstanding expenses and costs of the receivership, and
  - b. By then satisfying all outstanding taxes, other debts and charges, and
  - c. By then deducting for the insurance fund provided in G.S. 28C-19 a sum equal to five percent (5%) of the total value of the property remaining, including amounts paid to the receivership estate from policies of insurance on the absentee's life, and
  - d. By transferring or distributing the remaining property as provided in G.S. 28C-13; and
- (4) In all three cases by requiring the receiver's account, and upon its approval, discharging him and his bondsmen and entering a final decree terminating the receivership. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-13. Distribution of property of absentee.** — The property remaining for distribution in accordance with the provisions of G.S. 28C-12, subdivision (3)d shall be transferred or distributed by the receiver and in accordance with the judge's decree to those persons who would be entitled thereto under the applicable laws of intestate succession as though the absentee died intestate on the day five years after the date of his disappearance as determined by the judge in his final finding and decree; or, if the absentee leaves a document which, had he died, might have been admissible to probate as his will, the judge administering the receivership shall cause citations to issue to all persons entitled to notice upon the probate of wills in solemn form and determine whether the will would have been admitted to probate, and, if it shall be so determined, the transfer and distribution shall be according to the provisions of the document as of the date of the decree under G.S. 28C-12, subdivision (3)d, subject, however, to the right of the spouse of such absentee, or others, to claim whatever property they would have been entitled by law to claim in derogation of the terms of the will as if the absentee had actually died testate on the date five years after the date of his disappearance as determined by the judge in his final finding and decree. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-14. Additional limitations on accounting, distribution or making claim by absentee.** — If, at the time of the hearing in G.S. 28C-6 wherein a permanent receiver is appointed by the judge after a finding of disappearance as of a stated date, the date of disappearance so found is more than four years prior to the date of such hearing, the time limited for accounting for or fixed for transferring or distributing the property or its proceeds, or for barring actions by or on behalf of the absentee relative thereto, shall be not less than two years after the date of the appointment of the permanent receiver instead of the five years provided in G.S. 28C-11(c).

Provided, however, that the time limited for accounting for or fixed for transferring and distributing any additional property or its proceeds within the State coming into the custody and control of the permanent receiver during such two-year period, or for barring actions by or on behalf of the absentee relative thereto, shall be not more than one year after the expiration of said two-year period. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-15. When claim of absentee barred.** — No action shall be brought by an absentee to recover any portion of the property which is the subject of this proceeding after a final finding and decree as provided for in G.S. 28C-11(a) or G.S. 28C-11(c). (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-16. Laws of administration of estates applicable.** — Except as otherwise provided in this Chapter, the laws of this State applicable to administration of decedents' estates as to the amount and type of bond, inventories, reports, priority of creditors, compensation and court costs shall



govern receivers appointed under this Chapter. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-17. Appointment of public administrator as receiver for estate of less than \$1,000.** — Whenever a receiver is to be appointed under this Chapter, and it is found by the judge that the fair value of the estate involved is less than one thousand dollars (\$1,000), the judge shall appoint the public administrator as such receiver, if there be one for the county. In case such public administrator is appointed, he shall act as receiver under his official bond as public administrator which shall be liable for any default, and no other bond shall be required. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-18. Payment of insurance policies.** — (a) At the time of the distribution under G.S. 28C-13 the judge may direct the payment of any sums as they become due on any policies of insurance upon the life of the absentee, to the proper parties as their interest may appear.

(b) If the insurer refuses payment, the judge, upon the finding of appropriate supplemental pleadings in the pending action, shall determine all issues arising upon the pleadings, provided that all issues of fact shall be tried by a jury, unless trial by jury is waived.

(c) Where the required survival of a beneficiary is not established the provisions of this Chapter shall apply as if the proceeds of the insurance were a part of the estate of the absentee, unless the absentee retained no interest in the policy.

(d) If in any proceeding under subsection (b) it is determined that the absentee is not dead and the policy provides for a surrender value, the receiver or an otherwise entitled beneficiary acting through the receiver, may demand the payment of the surrender value or obtain a policy loan. The receiver's receipt for such payment of surrender value shall be a release to the insurer of all claims under the policy. The receiver shall pay over to such beneficiary any money so received, first reserving only an amount allowed by the judge as costs of the proceedings under this section and that amount required by G.S. 28C-12(3)b. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-19. Absentee insurance fund.** — (a) In each case of termination of the receivership, as provided in G.S. 28C-12, subdivisions (1) and (3), the judge shall set aside the sum therein named for the Absentee Insurance Fund and direct its payment by the receiver to the Treasurer of the State, who shall be liable therefor upon his official bond as for other moneys received by him in his official capacity.

(b) The Treasurer shall retain, invest and reinvest all funds thus paid in a separate account entitled the "Absentee Insurance Fund," and add thereto as received the interest or other earnings.

(c) If at any time thereafter, a person declared an absentee whose estate has been distributed under a final finding and decree made as provided in G.S. 28C-13 shall personally appear before the Treasurer and make claim for reimbursement from such fund, the superior court may in an action commenced in the Superior Court of Wake County by such person against the Treasurer, enter a judgment ordering payment to the claimant of such part of the accumulated fund from all sources as in its opinion is found to be fair, adequate and reasonable under the circumstances, taking into account the disposition made of his property, the reasons for his absence, and any other relevant matters.

(d) An action for compensation from the Absentee Insurance Fund shall be begun within three years from the time of the absentee's return. In cases of infancy or other disability recognized by law, persons under such disability shall have one year after the removal of such disability within which to begin the action.



(e) The Treasurer of the State shall from time to time prescribe the rate to be charged for the "Absentee Insurance Fund" under G.S. 28C-12, subdivisions (1) and (3) on the basis of actuarial experience. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-20. Provisions applicable to person held incommunicado in foreign country.** — As to a person who is known to be held incommunicado in a foreign country, G.S. 28C-1 through G.S. 28C-8 and G.S. 28C-10 may be applied as though such person were an absentee within the meaning of this Chapter, and if his whereabouts becomes unknown, the other provisions of this Chapter may be applied by such amendments to the pending proceeding as may be required. This section shall not apply to personnel serving in or with the armed forces, the merchant marine, or the Red Cross during a period of hostilities between the United States and some other power who are listed by the appropriate federal agency as prisoners of war or as missing in action. (1965, c. 815, s. 1; 1973, c. 522, s. 12; c. 1329, s. 2.)

**Cross Reference.** — As to estates of prisoners of war and persons declared missing in action, see Chapter 28B.

**Editor's Note.** — Session Laws 1973, c. 522, s. 12, added the second sentence.

**§ 28C-21. When agents' acts binding on estate of absentee.** — Acts of an agent of an absentee, carried out in good faith, prior to the appointment of a receiver under this Chapter, shall be binding on the estate of such absentee if said acts were within the scope of the agent's real or apparent authority. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)

**§ 28C-22. Provisions of Chapter severable.** — If any provisions of this Chapter or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this Chapter which can be given effect without the invalid provision or application, and to this end the provisions of this Chapter are declared to be severable. (1965, c. 815, s. 1; 1973, c. 1329, s. 2.)



## Chapter 29.

### Intestate Succession.

#### Article 1.

##### General Provisions.

Sec.

29-10. Renunciation.

29-12. Escheats.

#### Article 6.

##### Illegitimate Children.

Sec.

29-19. Succession by, through and from illegitimate children.

#### ARTICLE 1.

##### *General Provisions.*

#### § 29-1. Short title.

##### **Editor's Note. —**

For note entitled "Does North Carolina Law Adequately Protect Surviving Spouses?" see 48 N.C.L. Rev. 361 (1970).

**Wrongful Death Beneficiaries Determined as of Time of Death. —** The persons who, under the Intestate Succession Act, are entitled to the recovery in a wrongful death action are to be

determined as of the time of the decedent's death. *First Union Nat'l Bank v. Hackney*, 266 N.C. 17, 145 S.E.2d 352 (1965).

**Cited in** *Byers v. North Carolina State Highway Comm'n*, 3 N.C. App. 139, 164 S.E.2d 535 (1968); *Baxter v. Jones*, 14 N.C. App. 296, 188 S.E.2d 622 (1972); *Rodman v. Rodman*, 21 N.C. App. 397, 204 S.E.2d 695 (1974).

#### § 29-2. Definitions.

**Whether a gift is an advancement depends on the intention of the parent** at the time the gift is made. *Parrish v. Adams*, 10 N.C. App. 700, 179 S.E.2d 880 (1971).

**Knowledge That Conveyance Represents an Advancement Estops Claim to Any Other Lands. —** Where a child accepts a deed with

knowledge that the lands conveyed therein represent an advancement of his full share of the parents' realty, he is estopped to claim any other lands owned by the parents at the time of their deaths. *Parrish v. Adams*, 10 N.C. App. 700, 179 S.E.2d 880 (1971).

#### § 29-3. Certain distinctions as to intestate succession abolished.

**Applied in** *In re Johnston*, 16 N.C. App. 38, 190 S.E.2d 879 (1972).

#### § 29-5. Computation of next of kin.

**Applied in** *In re Will of Cobb*, 271 N.C. 307, 156 S.E.2d 285 (1967).

**§ 29-10. Renunciation. —** Renunciation of an intestate share shall be as provided for in Chapter 31B of the General Statutes. (1959, c. 879, s. 1; 1961, c. 958, s. 2; 1975, c. 371, s. 2.)

**Editor's Note. —** The 1975 amendment, effective Oct. 1, 1975, rewrote this section, which formerly detailed the procedure for renunciation.

**Cited in** *Brown v. Green*, 3 N.C. App. 506, 165 S.E.2d 534 (1969).



**§ 29-12. Escheats.** — If there is no person entitled to take under G.S. 29-14 or G.S. 29-15, or if in case of an illegitimate intestate, there is no one entitled to take under G.S. 29-21 or G.S. 29-22 the net estate shall escheat as provided in G.S. 116A-2. (1959, c. 879, s. 1; 1961, c. 83; 1973, c. 1446, s. 7.)

**Editor's Note.** — The 1973 amendment substituted "G.S. 116A-2" for "G.S. 116-21" at the end of the section.

## ARTICLE 2.

### *Shares of Persons Who Take upon Intestacy.*

#### **§ 29-13. Descent and distribution upon intestacy.**

**The power of the legislature** to determine who shall take the property of a person dying subsequent to the effective date of a legislative act cannot be doubted. *Johnson v. Blackwelder*, 267 N.C. 209, 148 S.E.2d 30 (1966).

**Law at Time of Death Governs.** — It is well settled that an estate must be distributed among heirs and distributees according to the law as it exists at the time of the death of the ancestor. *Johnson v. Blackwelder*, 267 N.C. 209, 148 S.E.2d 30 (1966).

**Even Though Decedent Became Incompetent to Make Will Before Law Changed.** — Where it was alleged that an intestate became mentally incapable of making a will prior to ratification of the Intestate Succession Act on June 10, 1959, and that such mental incapacity continued until his death, and it was contended that the intestate's personal estate should be distributed in accordance with the Intestate Succession Law as it existed on June 9, 1959, it was held that this contention assumes: Before he became mentally incapable of making a will, the intestate had knowledge of and was pleased with the statutes of descent and distribution; if he had made a will, he would have disposed of his estate as provided by the statutes then in effect; he would have been displeased with the provisions of the 1959 act; and, but for his mental incapacity, would have made a will disposing of his estate as provided by the statutes in effect prior to ratification of the 1959 act. Such successive assumptions underlying the contention are unwarranted. They relate to matters that lie wholly within the realm of speculation. The intestate had no vested right in the statutes of descent and distribution in effect prior to the ratification of the 1959 act. He was charged with knowledge that these statutes were subject to change by the General Assembly. *Johnson v. Blackwelder*, 267 N.C. 209, 148 S.E.2d 30 (1966).

The determinative fact is that the intestate made no will. Hence, his estate "shall descend

and be distributed" in accordance with the statutes in effect on the date of his death, namely, this chapter. *Johnson v. Blackwelder*, 267 N.C. 209, 148 S.E.2d 30 (1966).

**Wife's right to dissent from her husband's will** depends on whether she is entitled to take a widow's share of his estate under this section and § 29-14. *Sloop v. Sloop*, 24 N.C. App. 295, 210 S.E.2d 262 (1974).

**Wife Waived Right to Dissent from Will.** — Where by the terms of a deed of separation a wife released her right to take a widow's share of her husband's estate, she thereby waived her right to dissent from his will. *Sloop v. Sloop*, 24 N.C. App. 295, 210 S.E.2d 262 (1974).

**Any or all of the marital rights under this section may be surrendered** by a properly drawn separation agreement complying with the requirements of § 52-6. *Lane v. Scarborough*, 19 N.C. App. 32, 198 S.E.2d 45, rev'd on other grounds, 284 N.C. 407, 200 S.E.2d 622 (1973).

**Intent to Release Share Implicit in Separation Agreement.** — Where the intention of each party to the marriage to release his or her share in the estate of the other is implicit in the express provisions of their separation agreement, their situation and purpose at the time the instrument was executed, the law will imply release of rights under this section and specifically enforce the agreement. *Lane v. Scarborough*, 284 N.C. 407, 200 S.E.2d 622 (1973).

Provisions in a separation agreement that each would thereafter acquire, hold, and dispose of property as though unmarried and that each renounced the right to administer upon the estate of the other refuted the contention that one spouse intended to retain any rights in the other's estate. *Lane v. Scarborough*, 284 N.C. 407, 200 S.E.2d 622 (1973).

**Quoted in** *Long v. Coble*, 11 N.C. App. 624, 182 S.E.2d 234 (1971).

**Cited in** *In re Estate of Connor*, 5 N.C. App. 228, 168 S.E.2d 245 (1969).



## § 29-14. Share of surviving spouse.

**Editor's Note.** — For article "Transferring North Carolina Real Estate Part I: How the Present System Functions," see 49 N.C.L. Rev. 413 (1971). For note entitled "Does North Carolina Law Adequately Protect Surviving Spouses?" see 48 N.C.L. Rev. 361 (1970).

**This section defines, etc.** —

In accord with original. See *Peoples Oil Co. v. Richardson*, 271 N.C. 696, 157 S.E.2d 369 (1967).

**The intestate share does not include the value of property passing by survivorship** (which includes property owned as tenants by the entirety), joint accounts with right of survivorship, and insurance payable to the surviving spouse. In re *Estate of Connor*, 5 N.C. App. 228, 168 S.E.2d 245 (1969).

**Estate Does Not Include Property Conveyed Away prior to Death.** — For purposes of this section a wife's husband's estate would not include property which he had conveyed away prior to his death, even though she had not joined in the conveyance. *Heller v. Heller*, 7 N.C. App. 120, 171 S.E.2d 335 (1969).

A deed by plaintiff's husband, which was executed while he and plaintiff were living together and which conveyed his separate real property to his children by a prior marriage, was effective to convey title to the children free from any claims of plaintiff. *Heller v. Heller*, 7 N.C. App. 120, 171 S.E.2d 335 (1969).

Insofar as concerns any rights which the spouse of a married person might acquire by virtue of the provisions of this section, the General Assembly has prescribed no regulation or limitations relating to the conveyance during lifetime by such married person of his or her separate real or personal property. *Heller v. Heller*, 7 N.C. App. 120, 171 S.E.2d 335 (1969).

**Present Right of Possession Not Conferred.**

— A wife is not a real party in interest so as to interpose as a defense or counterclaim, in an action in ejectment instituted by her husband's grantee, that her husband had fraudulently conveyed the lands without her joinder in order to deprive her of the possession thereof, since this section, defining the share of the surviving spouse of an intestate, and § 29-30, providing for a life estate at the election of the surviving spouse, do not give her a present right of possession. *Peoples Oil Co. v. Richardson*, 271 N.C. 696, 157 S.E.2d 369 (1967).

**Share of Second or Successive Spouse.** — Section 30-3 (b), which provides that a second or successive spouse who dissents from the will of his deceased spouse shall take only one half the amount provided by the Intestate Succession Act for the surviving spouse if the testator has surviving him lineal descendants by a former marriage but there are no surviving lineal descendants by the second or successive

marriage, is not arbitrarily discriminatory and capricious so as to be violative of the due process provisions of the federal and State Constitutions. *Vinson v. Chappell*, 275 N.C. 234, 166 S.E.2d 686 (1969).

**Wife's right to dissent from her husband's will** depends on whether she is entitled to take a widow's share of his estate under § 29-13 and this section. *Sloop v. Sloop*, 24 N.C. App. 295, 210 S.E.2d 262 (1974).

**Wife Waived Right to Dissent from Will.** — Where by the terms of a deed of separation a wife released her right to take a widow's share of her husband's estate, she thereby waived her right to dissent from his will. *Sloop v. Sloop*, 24 N.C. App. 295, 210 S.E.2d 262 (1974).

**Wrongful Act Bars Husband from Share of Wrongful Death Recovery.** — Where it is a husband's wrongful act which caused the death of his wife intestate, he may not share in a recovery from an action for wrongful death. Should the jury return a verdict in favor of the administrator of her estate, the court will enter judgment for only two thirds of the amount of the verdict. *Cummings v. Locklear*, 12 N.C. App. 572, 183 S.E.2d 832 (1971).

In an action by an administrator under the Wrongful Death Act where a husband caused the death of his wife, the award must be reduced by the statutory share of the wrongdoer. *St. Paul Fire & Marine Ins. Co. v. Lack*, 476 F.2d 583 (4th Cir. 1973).

**This result is not precluded by the "slayer statute,"** § 31A-4, which excludes the wrongdoer from taking by declaring him to have constructively died prior to the deceased, since the slayer's exclusion by § 31A-4 appears to apply only to inheritance from the decedent's "estate," while wrongful death awards have consistently been deemed not to pass through the personal estate of the deceased, but rather to arise out of a right of action belonging peculiarly to the personal representative for the benefit of the intestate successors. *St. Paul Fire & Marine Ins. Co. v. Lack*, 476 F.2d 583 (4th Cir. 1973).

**No Lineal Descendants.** — There being no lineal descendants, under this section the surviving widow is entitled to "all the net estate" of an intestate. *Johnson v. Blackwelder*, 267 N.C. 209, 148 S.E.2d 30 (1966).

**Any or all of the marital rights under this section may be surrendered** by a properly drawn separation agreement complying with the requirements of § 52-6. *Lane v. Scarborough*, 19 N.C. App. 32, 198 S.E.2d 45, rev'd on other grounds, 284 N.C. 407, 200 S.E.2d 622 (1973).

**Intent to Release Share Implicit in Separation Agreement.** — Where the intention of each party to the marriage to release his or



her share in the estate of the other is implicit in the express provisions of their separation agreement, their situation and purpose at the time the instrument was executed, the law will imply release of rights under this section and specifically enforce the agreement. *Lane v. Scarborough*, 284 N.C. 407, 200 S.E.2d 622 (1973).

Provisions in a separation agreement that each would thereafter acquire, hold, and dispose

of property as though unmarried and that each renounced the right to administer upon the estate of the other refuted the contention that one spouse intended to retain any rights in the other's estate. *Lane v. Scarborough*, 284 N.C. 407, 200 S.E.2d 622 (1973).

**Cited** in *Swain v. Tillet*, 269 N.C. 46, 152 S.E.2d 297 (1967); *In re Will of Farr*, 277 N.C. 86, 175 S.E.2d 578 (1970).

### § 29-15. Shares of others than surviving spouse.

**Editor's Note.** — For note entitled "Does North Carolina Law Adequately Protect Surviving Spouses?" see 48 N.C.L. Rev. 361 (1970).

**Applied** in *Smith v. Allied Exterminators, Inc.*, 279 N.C. 583, 184 S.E.2d 296 (1971); *Cummings v. Locklear*, 12 N.C. App. 572, 183 S.E.2d 832

(1971); *Bowen v. Constructors Equip. Rental Co.*, 283 N.C. 395, 196 S.E.2d 789 (1973).

**Stated** in *Smith v. Allied Exterminators, Inc.*, 11 N.C. App. 76, 180 S.E.2d 390 (1971).

**Cited** in *Sloop v. Williams Exxon Serv.*, 24 N.C. App. 129, 210 S.E.2d 111 (1974).

### ARTICLE 3.

#### *Distribution Among Classes.*

### § 29-16. Distribution among classes.

**Applied** in *Cummings v. Locklear*, 12 N.C. App. 572, 183 S.E.2d 832 (1971).

**Cited** in *Sloop v. Williams Exxon Serv.*, 24 N.C. App. 129, 210 S.E.2d 111 (1974).

### ARTICLE 6.

#### *Illegitimate Children.*

**§ 29-19. Succession by, through and from illegitimate children.** — (a) For purposes of intestate succession, an illegitimate child shall be treated as if he were the legitimate child of his mother, so that he and his lineal descendants are entitled to take by, through and from his mother and his other maternal kindred, both descendants and collaterals, and they are entitled to take from him.

(b) For purposes of intestate succession, an illegitimate child shall be entitled to take by, through and from:

- (1) Any person who has been judicially determined to be the father of such child pursuant to the provisions of G.S. 49-14 through 49-16;
- (2) Any person who has acknowledged himself during his own lifetime to be the father of such child in a written instrument executed or acknowledged before a certifying officer named in G.S. 52-6(c) and filed during his own lifetime in the office of the clerk of superior court of the county where either he or the child resides.

Notwithstanding the above provisions, no person shall be entitled to take hereunder unless he has given written notice of the basis of his claim to the personal representative of the putative father within six months after the date of the first publication or posting of the general notice to creditors.

(c) Any person described under subdivision (b)(1) or (2) above and his lineal and collateral kin shall be entitled to inherit by, through and from the illegitimate child.

(d) Any person who acknowledges himself to be the father of an illegitimate child in his duly probated last will shall be deemed to have intended that such



child be treated as expressly provided for in said will or, in the absence of any express provision, the same as a legitimate child. (1959, c. 879, s. 1; 1973, c. 1062, s. 1; 1975, c. 54, s. 1.)

**Editor's Note.** — The 1973 amendment designated the former provisions of this section as subsection (a) and added subsections (b), (c) and (d).

The 1975 amendment deleted the former last sentence of subsection (b), which provided: "However, when the personal representative of

a deceased putative father is a party to an action brought pursuant to G.S. 49-14 through 49-16 and such action provides the basis for a claim hereunder, this relationship to the action shall be sufficient notice."

For note on illegitimacy in North Carolina, see 46 N.C.L. Rev. 813 (1968).

## § 29-21. Share of surviving spouse.

**Editor's Note.** — For article "Transferring North Carolina Real Estate Part I: How the Present System Functions," see 49 N.C.L. Rev. 413 (1971).

Cited in *Heller v. Heller*, 7 N.C. App. 120, 171 S.E.2d 335 (1969).

### ARTICLE 7.

#### *Advancements.*

## § 29-24. Presumption of gift.

Applied in *Lassiter v. Lassiter*, 15 N.C. App. 588, 190 S.E.2d 283 (1972).

### ARTICLE 8.

#### *Election to Take Life Interest in Lieu of Intestate Share.*

## § 29-30. Election of surviving spouse to take life interest in lieu of intestate share provided.

### **Editor's Note.** —

For article "Transferring North Carolina Real Estate Part I: How the Present System Functions," see 49 N.C.L. Rev. 413 (1971).

### **Section Preserves, etc.** —

In accord with original. See *Heller v. Heller*, 7 N.C. App. 120, 171 S.E.2d 335 (1969).

This section has the practical effect of providing the benefits of dower to the surviving spouse, at her election. *Peoples Oil Co. v. Richardson*, 271 N.C. 696, 157 S.E.2d 369 (1967).

To protect the rights of dower or curtesy, the General Assembly has prescribed regulations and limitations on the right of a married person to convey his or her real property free from the elective life estate provided for his or her spouse by this section. *Heller v. Heller*, 7 N.C. App. 120, 171 S.E.2d 335 (1969).

### **Present Right of Possession Not Conferred.**

— A wife is not a real party in interest so as to interpose as a defense or counterclaim in an action in ejectment instituted by her husband's grantee that her husband had fraudulently conveyed the lands without her joinder in order

to deprive her of the possession thereof, since § 29-14, defining the share of the surviving spouse of an intestate, and this section, providing for a life estate at the election of the surviving spouse, do not give her a present right of possession. *Peoples Oil Co. v. Richardson*, 271 N.C. 696, 157 S.E.2d 369 (1967).

**Inchoate Right to Dower May Be Protected by Redemption from Tax Sale.** — A wife who claims in property an inchoate right to dower is possessed of such an interest that she clearly has the right to protect such interest by redeeming such property from a tax sale. *Samet v. United States*, 242 F. Supp. 214 (M.D.N.C. 1965).

**"Pending" Litigation.** — An action by the widow, commenced after time for election had expired, to declare void a deed executed by her husband which conveyed the husband's separate realty to his children of a prior marriage, does not constitute "pending" litigation within the meaning of subsection (c)(4) of this section. *Heller v. Heller*, 7 N.C. App. 120, 171 S.E.2d 335 (1969).



Any or all of the marital rights under this section may be surrendered by a properly drawn separation agreement complying with the requirements of § 52-6. *Lane v. Scarborough*, 19

N.C. App. 32, 198 S.E.2d 45 (1973), rev'd on other grounds, 284 N.C. 407, 200 S.E.2d 622 (1973).

Cited in *McLeod v. McLeod*, 266 N.C. 144, 146 S.E.2d 65 (1966).



## Chapter 30. Surviving Spouses.

### Article 1.

#### Dissent from Will.

Sec.

30-1. Right of dissent.

30-3. Effect of dissent.

### Article 4.

#### Year's Allowance.

##### Part 1. Nature of Allowance.

30-15. When spouse entitled to allowance.

30-16. Duty of personal representative or magistrate to assign allowance.

Sec.

30-17. When children entitled to an allowance.

##### Part 2. Assigned by Magistrate.

30-19. Value of property ascertained.

30-20. Procedure for assignment.

30-21. Report of commissioners.

30-22. [Repealed.]

##### Part 3. Assigned in Superior Court.

30-30. Judgment and order for commissioners.

30-31. Duty of commissioners; amount of allowance.

## ARTICLE 1.

### *Dissent from Will.*

**§ 30-1. Right of dissent.** — (a) A spouse may dissent from his deceased spouse's will in those cases where the aggregate value of the provisions under the will for benefit of the surviving spouse, when added to the value of the property or interests in property passing in any manner outside the will to the surviving spouse as a result of the death of the testator:

- (1) Is less than the intestate share of such spouse, or
  - (2) Is less than one half of the deceased spouse's net estate in those cases where the deceased spouse is not survived by a child, children, or any lineal descendant of a deceased child or children, or by a parent, or
  - (3) Is less than the one half of the amount provided by the Intestate Succession Act in those cases where the surviving spouse is a second or successive spouse and the testator has surviving him lineal descendants by a former marriage and there are no lineal descendants surviving him by the second or successive marriage.
- (1975, c. 106, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, added subdivision (3) of subsection (a).

Session Laws 1975, c. 106, s. 2, provides: "This act shall apply to the estates of decedents dying after October 1, 1975."

As the rest of the section was not changed by the amendment, only subsection (a) is set out.

For article "Transferring North Carolina Real Estate Part I: How the Present System Functions," see 49 N.C.L. Rev. 413 (1971). For note entitled "Contracts to Devise — Effect of Excluded Forced Heirs," see 47 N.C.L. Rev. 905 (1969). For note entitled "Does North Carolina Law Adequately Protect Surviving Spouses?" see 48 N.C.L. Rev. 361 (1970).

"**Intestate share**" means the amount of real and personal property that the surviving spouse would receive under the provisions of Chapter 29 of the General Statutes of North Carolina, known as the Intestate Succession Act, if her husband had died intestate. In re Estate of Connor, 5 N.C. App. 228, 168 S.E.2d 245 (1969).

The year's allowance for the surviving spouse under the provisions of § 30-15 is not a part of the "intestate share" passing to a surviving spouse under the provisions of Chapter 29 of the General Statutes, known as the Intestate Succession Act. In re Estate of Connor, 5 N.C. App. 228, 168 S.E.2d 245 (1969).

"Intestate share" does not include any property received by the surviving spouse as a tenant by entirety, or from insurance contracts, or from joint accounts with right of survivorship. In re Estate of Connor, 5 N.C. App. 228, 168 S.E.2d 245 (1969).

#### **Article Was Unconstitutional, etc. —**

This section and §§ 30-2 and 30-3, insofar as they gave a husband the right in certain instances to dissent from his deceased wife's will and take a specified share of her estate were unconstitutional under former N.C. Const., Art. X, § 6, to the extent that they diminished pro tanto a devise of her separate estate in accordance with a will executed by her. Fullam v. Brock, 271 N.C. 145, 155 S.E.2d 737 (1967).



**But Husband's Right to Dissent Has Been Restored by Constitutional Amendment.** — The effect of the adoption by the voters of the amendment to former N.C. Const., Art. X, § 6, was to restore, subject to the qualifications set forth in Session Laws 1963, c. 1209, the right of the husband to dissent from the will of his wife. *Fullam v. Brock*, 271 N.C. 145, 155 S.E.2d 737 (1967).

**Where, at the time of his wife's death in 1965,** the amendment to former N.C. Const., Art. X, § 6, authorizing the legislature to empower a husband to dissent from his wife's will had been certified but the legislation reenacting this section and §§ 30-2 and 30-3 had not become effective, the husband had a right to dissent from his wife's will based on anticipatory provisions of Session Laws 1963, c. 1209, which directed the submission of the constitutional amendment, and which provided that the word "spouse" should apply to both husband and wife in certain statutes. *Fullam v. Brock*, 271 N.C. 145, 155 S.E.2d 737 (1967).

**And Husband and Wife Have Same Rights.** — Session Laws 1963, c. 1209 was enacted to abrogate the effect of the decision in *Dudley v. Staton*, 257 N.C. 572, 126 S.E.2d 590 (1962), and to make the rights of husbands and wives the same in each other's separate property. *Fullam v. Brock*, 271 N.C. 145, 155 S.E.2d 737 (1967).

**Right of Dissent Conferred by Statute.** — The right of a husband or wife to dissent from the will of his spouse is conferred by statute and may be exercised at the time and in the manner fixed by statute. *Vinson v. Chappell*, 275 N.C. 234, 166 S.E.2d 686 (1969).

**Right to Dissent Is Mathematically**

**Determined by Value of Property.** — This section provides that when the values are determined as set out therein, such are final for determining the right of dissent and shall be used exclusively for this purpose. No doubt when this legislation was enacted it was contemplated that the right to dissent would be thus mathematically established. In *re Estate of Connor*, 5 N.C. App. 228, 168 S.E.2d 245 (1969).

**And Right Cannot Be Established Until Property Is Determined and Valued.** — In the absence of a determination and valuation of the property passing to the surviving spouse under the will and outside the will as of the date of the death of the deceased spouse as provided by the statute, there can be no proper determination of whether the right to dissent has been established. When the property involved is determined and valued as provided by statute, then the right of dissent can be determined mathematically. In *re Estate of Connor*, 5 N.C. App. 228, 168 S.E.2d 245 (1969).

**Property Determined and Valued as of Date of Testator's Death.** — This section, which permits dissent in certain instances, also requires that the property involved shall be determined and valued as of the date of death of the testator. The procedure is mandatory. In *re Estate of Connor*, 5 N.C. App. 228, 168 S.E.2d 245 (1969).

**Testator Presumed, etc.** —

In accord with original. See *Vinson v. Chappell*, 275 N.C. 234, 166 S.E.2d 686 (1969).

**Cited in** *O'Neil v. O'Neil*, 271 N.C. 106, 155 S.E.2d 495 (1967); *Calloway v. Ford Motor Co.*, 281 N.C. 496, 189 S.E.2d 484 (1972).

## § 30-2. Time and manner of dissent.

**Subsection (b) is an expression of legislative policy** which the Court of Appeals will not vitiate. In *re Estate of Burleson*, 24 N.C. App. 136, 210 S.E.2d 114 (1974).

**An acknowledgment is a formal declaration or admission** before an authorized public officer by a person who has executed an instrument that the instrument is his voluntary act and deed. In *re Estate of Burleson*, 24 N.C. App. 136, 210 S.E.2d 114 (1974).

**And it is different from an attestation** in that an attestation is the act of a third person who witnessed the actual execution of an instrument and subscribed his name as a witness to that fact. In *re Estate of Burleson*, 24 N.C. App. 136, 210 S.E.2d 114 (1974).

**Dissent signed by a subscribing witness does**

**not comply with subsection (b).** In *re Estate of Burleson*, 24 N.C. App. 136, 210 S.E.2d 114 (1974).

To hold that the signature by a subscribing witness satisfies the acknowledgment required by subsection (b) would constitute judicial repeal of the 1959 amendment, which provided for acknowledgment of dissents. In *re Estate of Burleson*, 24 N.C. App. 136, 210 S.E.2d 114 (1974).

**The guardian of an incompetent widower is authorized to file a dissent by him** from his wife's will. *Fullam v. Brock*, 271 N.C. 145, 155 S.E.2d 737 (1967).

**Cited in** *Vinson v. Chappell*, 275 N.C. 234, 166 S.E.2d 686 (1969); *Vinson v. Chappell*, 3 N.C. App. 348, 164 S.E.2d 631 (1968).



**§ 30-3. Effect of dissent.** — (a) Upon dissent as provided for in G.S. 30-2, the surviving spouse, except as provided in subsection (b) of this section, shall take the same share of the deceased spouse's real and personal property as if the deceased had died intestate; provided, that if the deceased spouse is not survived by a child, children, or any lineal descendants of a deceased child or children, or by a parent, the surviving spouse shall receive only one half of the deceased spouse's net estate as defined in G.S. 29-2(5), which one half shall be estimated and determined before any federal estate tax is deducted or paid and shall be free and clear of such tax.

(1971, c. 19.)

**Editor's Note.** —

The 1971 amendment substituted "G.S. 29-2(5)" for "G.S. 29-2(3)" near the end of subsection (a).

As the rest of the section was not changed by the amendment, only subsection (a) is set out.

**Constitutionality.** — Subsection (b) of this section does not create a classification or distinction that is arbitrary and unjustifiable so as to be offensive to our federal or State Constitutions. *Vinson v. Chappell*, 3 N.C. App. 348, 164 S.E.2d 631 (1968).

Subsection (b) of this section, which provides that a second or successive spouse who dissents from the will of his deceased spouse shall take only one half the amount provided by the Intestate Succession Act for the surviving spouse if the testator has surviving him lineal descendants by a former marriage but there are no surviving lineal descendants by the second or successive marriage, is not arbitrarily discriminatory and capricious so as to be violative of the due process provisions of the federal and State Constitutions. *Vinson v. Chappell*, 275 N.C. 234, 166 S.E.2d 686 (1969).

**Legislative Intent.** — The intent of the legislature in enacting subsection (b) of this section was to enable a person who has a child or lineal descendant by a former marriage to make greater provision for such child or lineal descendant. *Vinson v. Chappell*, 275 N.C. 234, 166 S.E.2d 686 (1969).

**This section has no application in cases of intestacy.** *Vinson v. Chappell*, 3 N.C. App. 348, 164 S.E.2d 631 (1968).

**It is only when a spouse dies testate that this section may become applicable.** *Vinson v. Chappell* 3 N.C. App. 348, 164 S.E.2d 631 (1968).

**What Section Provides in Substance.** — This section provides in substance that whenever a second or successive spouse dissents from the will of his or her deceased spouse, he or she shall take one half of the amount provided by the Intestate Succession Act for the surviving spouse if the testator has surviving him a lineal descendant by a former marriage but there is no surviving lineal descendant by the second or successive marriage. *Vinson v. Chappell*, 3 N.C. App. 348, 164 S.E.2d 631 (1968).

**The real effect of this section** is to allow a spouse, who leaves a child or other lineal descendant by a previous marriage but none by the spouse who survives him, more testamentary freedom than he would have otherwise. It is not for the Court of Appeals to "second guess" the General Assembly on the wisdom of this distinction, but the court believes the statute was enacted in good faith and it creates a classification based upon real distinctions which are not unreasonable. *Vinson v. Chappell*, 3 N.C. App. 348, 164 S.E.2d 631 (1968).

**Subsection (b) applies to limit the share of a surviving spouse** to one half the intestate share only when (1) a married person dies testate survived by his spouse, (2) the surviving spouse, being entitled under § 30-1 to do so, dissents, (3) the surviving spouse is a "second or successive spouse," (4) no lineal descendants by the second or successive marriage survive the testator, and (5) the testator is survived by lineal descendants by his former marriage. *Vinson v. Chappell*, 275 N.C. 234, 166 S.E.2d 686 (1969).

**Cited in** *In re Estate of Connor*, 5 N.C. App. 228, 168 S.E.2d 245 (1969).

## ARTICLE 4.

### *Year's Allowance.*

#### Part 1. Nature of Allowance.

**§ 30-15. When spouse entitled to allowance.** — Every surviving spouse of an intestate or of a testator, whether or not he has dissented from the will, shall, unless he has forfeited his right thereto as provided by law, be entitled, out of the personal property of the deceased spouse, to an allowance of the value of two thousand dollars (\$2,000.00) for his support for one year after the death of



the deceased spouse. Such allowance shall be exempt from any lien, by judgment or execution, acquired against the property of the deceased spouse, and shall, in cases of testacy, be charged against the share of the surviving spouse. (1868-9, c. 93, s. 81; 1871-2, c. 193, s. 44; 1880, c. 42; Code, s. 2116; 1889, c. 499, s. 2; Rev., s. 3091; C. S., s. 4108; 1953, c. 913, s. 1; 1961, c. 316, s. 1; c. 749, s. 1; 1969, c. 14.)

**Editor's Note. —**

The 1969 amendment, effective July 1, 1969, increased the amount of the allowance from \$1,000 to \$2,000. The amendatory act is applicable only to estates of persons dying on or after July 1, 1969.

**Opinions of Attorney General. —** Honorable Fred Proffitt, Clerk of Superior Court, Yancey County, 40 N.C.A.G. 35 (1969).

**Any or all of the marital rights under this section may be surrendered by a properly**

drawn separation agreement complying with the requirements of § 52-6. *Lane v. Scarborough*, 19 N.C. App. 32, 198 S.E.2d 45 (1973).

**Allowance Is Not "Intestate Share". —** The year's allowance for the surviving spouse under the provisions of this section is not a part of the "intestate share" passing to a surviving spouse under the provisions of Chapter 29 of the General Statutes, known as the Intestate Succession Act. In re Estate of Connor, 5 N.C. App. 228, 168 S.E.2d 245 (1969).

**§ 30-16. Duty of personal representative or magistrate to assign allowance.**

— It shall be the duty of every administrator, collector, or executor of a will, on application in writing, signed by the surviving spouse, at any time within one year after the death of the deceased spouse, to assign to the surviving spouse the year's allowance as provided in this Article.

If there shall be no administration, or if the personal representative shall fail or refuse to apply to a magistrate, as provided in G.S. 30-20, for 10 days after the surviving spouse has filed the aforesaid application, or if the surviving spouse is the personal representative, the surviving spouse may make application to the magistrate, and it shall be the duty of the magistrate to proceed in the same manner as though the application had been made by the personal representative.

Where any personal property of the deceased spouse shall be located outside the township or county where the deceased spouse resided at the time of his death, the personal representative or the surviving spouse may apply to any magistrate of any township or county where such personal property is located, and it shall be the duty of such magistrate to assign the year's allowance as if the deceased spouse had resided and died in that township. (1868-9, c. 93, s. 12; 1870-1, c. 263; Code, ss. 2120, 2122; 1889, cc. 496, 531; 1891, c. 13; Rev., ss. 3096, 3098; C. S., ss. 4113, 4115; 1961, c. 749, s. 2; 1971, c. 528, s. 21.)

**Editor's Note. —** The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice of the peace" in the second and third

paragraphs and for "justice" in two places in the second paragraph and again in the third paragraph.

**§ 30-17. When children entitled to an allowance. —** Whenever any parent dies leaving any child under the age of 18 years, including an adopted child or a child with whom the widow may be pregnant at the death of her husband, or a child who is less than 22 years of age and is a full-time college student, or a child under 21 years of age who has been declared mentally incompetent, or a child under 21 years of age who is totally disabled, or any other person under the age of 18 years residing with the deceased parent at the time of death to whom the deceased parent or the surviving parent stood in loco parentis, every such child shall be entitled, besides its share of the estate of such deceased parent, to an allowance of six hundred dollars (\$600.00) for its support for the year next ensuing the death of such parent, less, however, the value of any articles consumed by said child since the death of said parent. Such allowance



shall be exempt from any lien by judgment or execution against the property of such parent. The personal representative of the deceased parent, within one year after the parent's death, shall assign to every such child the allowance herein provided for; but if there is no personal representative or if he fails or refuses to act within 10 days after written request by a guardian or next friend on behalf of such child, the allowance may be assigned by a magistrate, upon application of said guardian or next friend.

If the child resides with the widow of the deceased parent at the time such allowance is paid, the allowance shall be paid to said widow for the benefit of said child. If the child resides with its surviving parent who is other than the widow of the deceased parent, such allowance shall be paid to said surviving parent for the use and benefit of such child, regardless of whether the deceased died testate or intestate or whether the widow dissented from the will. Provided, however, the allowance shall not be available to an illegitimate child of a deceased father, unless such deceased father shall have recognized the paternity of such illegitimate child by deed, will or other paper-writing. If the child does not reside with a parent when the allowance is paid, it shall be paid to its general guardian, if any, and if none, to the clerk of the superior court who shall receive and disburse same for the benefit of such child. (1889, c. 496; Rev., s. 3094; C. S., s. 4111; 1939, c. 396; 1953, c. 913, s. 2; 1961, c. 316, s. 2; c. 749, s. 3; 1969, c. 269; 1971, c. 528, s. 22; 1973, c. 1411; 1975, c. 259.)

**Editor's Note. —**

The 1969 amendment substituted "six hundred dollars (\$600.00)" for "three hundred dollars (\$300.00)" near the end of the first sentence. The amendatory act provides that it shall be applicable only with respect to estates of persons dying on or after April 22, 1969.

The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice of the peace" in the last sentence of the first paragraph.

The 1973 amendment inserted in the first sentence the language beginning "or a child who is less than 22 years of age" and ending "totally disabled." The amendment also deleted "the" preceding "death" near the middle of the first sentence.

The 1975 amendment added the language beginning "regardless" at the end of the second sentence of the second paragraph.

## Part 2. Assigned by Magistrate.

**§ 30-19. Value of property ascertained. —** The value of the personal property assigned to the surviving spouse and children shall be ascertained by a magistrate and two persons qualified to act as jurors of the county in which administration was granted or the will probated. (1868-9, c. 93, s. 13; Code, s. 2121; Rev., s. 3097; C. S., s. 4114; 1961, c. 749, s. 5; 1971, c. 528, s. 22.)

**Editor's Note. —** The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice of the peace."

**§ 30-20. Procedure for assignment. —** Upon the application of the surviving spouse, or whenever it shall appear that a child is entitled to an allowance as provided by G.S. 30-17, the personal representative of the deceased shall apply to the clerk of superior court of the county in which the deceased resided to assign the inquiry to a magistrate of the county. The magistrate shall summon two persons qualified to act as jurors, who, having been sworn by the magistrate to act impartially as commissioners shall, with him, ascertain the person or persons entitled to an allowance according to the provisions of this Article, and determine the money or other personal property of the estate, and pay over to or assign to the surviving spouse and to the children, if any, so much thereof as they shall be entitled to as provided in this Article. Any deficiencies shall be



made up from any of the personal property of the deceased, and if the personal property of the estate shall be insufficient to satisfy such allowance, the clerk of the superior court shall enter judgment against the personal representative for the amount of such deficiency, to be paid when a sufficiency of such assets shall come into his hands. (1870-1, c. 263; Code, s. 2122; 1891, c. 13; 1899, c. 531; Rev., s. 3098; C. S., s. 4115; 1961, c. 749, s. 6; 1971, c. 528, s. 23.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, rewrote the former first sentence as the present first and second sentences. The amendment substituted "the clerk of superior court of the county in which the deceased resided to assign the inquiry to a magistrate of the county" for "a justice of the

peace of the township in which the deceased resided, or some other township," at the end of the present first sentence, added "The magistrate shall" at the beginning of the present second sentence and substituted "magistrate" the second time the word appears in the present second sentence for "justice."

**§ 30-21. Report of commissioners.** — The commissioners shall make and sign three lists of the money or other personal property assigned to each person, stating their quantity and value, and the deficiency to be paid by the personal representative. Where the allowance is to the surviving spouse, one of these lists shall be delivered to him. Where the allowance is to a child, one of these lists shall be delivered to the surviving parent with whom the child is living; or to the child's guardian or next friend if the child is not living with said surviving parent; or to the child if said child is not living with the surviving parent and has no guardian or next friend. One list shall be delivered to the personal representative. One list shall be returned by the magistrate, within 20 days after the assignment, to the superior court of the county in which administration was granted or the will probated, and the clerk shall file and record the same, together with any judgment entered pursuant to G.S. 30-20. (1868-9, c. 93, s. 15; Code, s. 2123; Rev., s. 3099; C. S., s. 4116; 1961, c. 749, s. 7; 1971, c. 528, s. 24.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice" in the last sentence.

**§ 30-22:** Repealed by Session Laws 1971, c. 528, s. 25, effective October 1, 1971.

### **§ 30-23. Right of appeal.**

**Applied in** *In re Godwin*, 17 N.C. App. 365, 194 S.E.2d 204 (1973).

## **Part 3. Assigned in Superior Court.**

### **§ 30-27. Surviving spouse or child may apply to superior court.**

**Cited in** *Estate of Loftin v. Loftin*, 285 N.C. 717, 208 S.E.2d 670 (1974).

**§ 30-30. Judgment and order for commissioners.** — If the material allegations of the complaint be found true, the judgment shall be that plaintiff is entitled to the relief sought; and the court shall thereupon issue an order to the sheriff or other proper officer of the county, commanding him to summon a magistrate and two persons qualified to act as jurors, who shall determine the money or other personal property of the estate and assign to the plaintiff a



sufficiency thereof for plaintiff's support for one year from the decedent's death. Any deficiency shall be made up from any of the personal property of the deceased, and if the personal property of the estate shall be insufficient for such support, the clerk of the superior court shall enter judgment against the personal representative for the amount of such deficiency, to be paid when a sufficiency of such assets shall come into his hands. (1868-9, c. 93, s. 23; Code, s. 2131; Rev., s. 3107; C. S., s. 4124; 1961, c. 749, s. 13; 1971, c. 528, s. 26.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice of the peace" near the middle of the first sentence.

**§ 30-31. Duty of commissioners; amount of allowance.** — The said commissioners shall be sworn by the magistrate and shall proceed as prescribed in this Chapter, except that they may assign to the plaintiff a value sufficient for the support of plaintiff according to the estate and condition of the decedent and without regard to the limitations set forth in this Chapter; but the value allowed shall be fixed with due consideration for other persons entitled to allowances for year's support from the decedent's estate; and the total value of all allowances shall not in any case exceed the one half of the average annual net income of the deceased for three years next preceding his death. This report shall be returned by the magistrate to the court. (1868-9, c. 93, s. 24; Code, s. 2132; Rev., s. 3108; C. S., s. 4125; 1971, c. 528, s. 27.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice" near the beginning of the first sentence and in the second sentence.



**Chapter 31.****Wills.****Article 1.****Execution of Will.**

Sec.

31-1. Who may make will.

**Article 2.****Revocation of Will.**

31-5.3. Will not revoked by marriage; dissent from will made prior to marriage.

31-5.5. After-born or after-adopted child; illegitimate child; effect on will.

**Article 4.****Depository for Wills.**

31-11. Depositories in offices of clerks of superior court where living persons may file wills.

**Article 5.****Probate of Will.**

31-12. Executor may apply for probate.

31-24. Probate when witnesses are nonresident; examination before notary public.

Sec.

31-31.1. Validation of probates of wills when witnesses examined before notary public; acts of deputy clerks validated.

**Article 6.****Caveat to Will.**

31-32. When and by whom caveat filed.

31-33. Bond given and cause transferred to trial docket.

**Article 7.****Construction of Will.**

31-40. What property passes by will.

31-42. Failure of devises and legacies by lapse or otherwise; renunciation.

**Article 8.****Devise or Bequest to Trustee of an Existing Trust.**

31-47. Devise or bequest to trustee of an existing trust.

**ARTICLE 1.***Execution of Will.*

**§ 31-1. Who may make will.** — Any person of sound mind, and 18 years of age or over, may make a will. (1811, c. 280; R. C., c. 119, s. 2; Code, s. 2137; Rev., s. 3111; C. S., s. 4128; 1953, c. 1098, s. 1; 1965, c. 303; 1969, c. 39.)

**Editor's Note.** —

The 1969 amendment, effective July 1, 1969, deleted "and 21 years of age or over, or married and of sound mind" preceding "and 18 years."

**Mere ignorance of a technical statute relating to wills** does not evidence a lack of testamentary capacity. In re Will of Farr, 277 N.C. 86, 175 S.E.2d 578 (1970).

**§ 31-3.1. Will invalid unless statutory requirements complied with.**

**Instrument Executed without Proper Formalities Is Void.** — An instrument which is testamentary in effect but does not follow the

prescribed formalities for the proper execution of a will is void. *Baxter v. Jones*, 14 N.C. App. 296, 188 S.E.2d 622 (1972).

**§ 31-3.3. Attested written will.****Editor's Note.** —

For comment on the necessity for proof of due execution of a will, see 3 Wake Forest Intra. L. Rev. 12 (1967).

**Question for Jury.** —

Where the testator signified by a nod of his head that the paper writing read to him was his will, and although the testator was severely physically incapacitated, he was mentally alert

and able to make known any objection he might have had to the minister signing his name to the will, and this he failed to do; indeed, he placed his hand upon the pen while the minister made his mark, this evidence gives rise to an inference to be resolved by the jury as to whether the will was duly executed according to law. In re Will of Knowles, 11 N.C. App. 155, 180 S.E.2d 394 (1971).



**Cited in** *In re Will of Cobb*, 271 N.C. 307, 156 S.E.2d 285 (1967); *In re Will of Hodgin*, 10 N.C. App. 492, 179 S.E.2d 126 (1971).

### § 31-3.4. Holographic will.

#### **Editor's Note.** —

For note on the problem of after-discovered wills, see 47 N.C.L. Rev. 723 (1969).

**Opinions of Attorney General.** — Honorable Robert Miller, Clerk, Superior Court, Stokes County, 40 N.C.A.G. 36 (1969).

**Evidence of Testamentary Intent Is Necessary.** — Before any instrument can be probated as a testamentary disposition there must be evidence that it was written *animo testandi*, or with testamentary intent. In *re Will of Mucci*, 287 N.C. 26, 213 S.E.2d 207 (1975).

**The maker must intend at the time of making that the paper itself operate as a will, or codicil;** an intent to make some foreign testamentary disposition is not sufficient. In *re Will of Mucci*, 287 N.C. 26, 213 S.E.2d 207 (1975).

**Where Testamentary Intent Must Appear.** — With regard to holographic instruments, the necessary *animo testandi* must appear not only from the instrument itself and the circumstances under which it was made, but also from the fact that the instrument was found among the deceased's valuable papers after his death or in the possession of some person with whom the deceased had deposited it for safekeeping. In *re Will of Mucci*, 287 N.C. 26, 213 S.E.2d 207 (1975).

**Or Instrument May Not Be Admitted to**

**Probate.** — If there is nothing on the face of the holograph from which a testamentary intent may be inferred or evidence is lacking that the instrument was found among the deceased's valuable papers or placed by him in the possession of some other person for safekeeping, the instrument may not, as a matter of law, be admitted to probate. In *re Will of Mucci*, 287 N.C. 26, 213 S.E.2d 207 (1975).

**When Intent Issue Is for Jury.** — Where a holographic instrument on its face is equivocal on the question of whether it was written with testamentary intent and there is evidence that the instrument was found among the valuable papers of the deceased the *animo testandi* issue is for the jury and parol evidence relevant to the issue may be properly admitted. In *re Will of Mucci*, 287 N.C. 26, 213 S.E.2d 207 (1975).

**Deposit among Unopened Mail.** — A bona fide controversy existed as to whether a holographic document was found among the valuable papers and effects of the testatrix, where the document was discovered among some unopened mail on a sofa at the testatrix's home, in a small room which was used as an office. *Lenoir Rhyne College v. Thorne*, 13 N.C. App. 27, 185 S.E.2d 303 (1971).

**Cited in** *In re Will of Spinks*, 7 N.C. App. 417, 173 S.E.2d 1 (1970).

## ARTICLE 2.

### *Revocation of Will.*

### § 31-5.1. Revocation of written will.

**Defacing, Cancellation or Obliteration Alone Insufficient to Show Revocation.** — A paper writing duly executed as a last will and testament was not revoked, in whole or in part, by defacing, cancellation, or obliteration, unless the testatrix defaced or obliterated the paper writing, or some portion or portions thereof with the intent thereby to revoke it in whole or in part. Defacement or obliteration, even though shown to be made by testatrix, is not, alone, sufficient to show revocation. In *re Will of Hodgin*, 10 N.C. App. 492, 179 S.E.2d 126 (1971).

**Issue of Revocation Is for Jury.** — Probate is an *in rem* action and the issue of revocation

raised by caveat is for determination by the jury, and the court may not grant a motion for directed verdict. In *re Will of Hodgin*, 10 N.C. App. 492, 179 S.E.2d 126 (1971).

**But the trial judge does have authority to set aside the verdict** in his discretion when the verdict is against the greater weight of the evidence. In *re Will of Hodgin*, 10 N.C. App. 492, 179 S.E.2d 126 (1971).

**Applied in** *Mansour v. Rabil*, 277 N.C. 364, 177 S.E.2d 849 (1970).

**Quoted in** *In re Will of Burton*, 267 N.C. 729, 148 S.E.2d 862 (1966).



**§ 31-5.3. Will not revoked by marriage; dissent from will made prior to marriage.** — A will is not revoked by a subsequent marriage of the maker; and the surviving spouse may dissent from such will made prior to the marriage in the same manner, upon the same conditions, and to the same extent, as a surviving spouse may dissent from a will made subsequent to marriage. (1844, c. 88, s. 10; R. C., c. 119, s. 23; Code, s. 2177; Rev., s. 3116; C. S., s. 4134; 1947, c. 110; 1953, c. 1098, s. 5; 1967, c. 128.)

**Editor's Note.** —

The 1967 amendment rewrote this section, which formerly provided that a will was revoked by the subsequent marriage of the maker, subject to certain exceptions. The amendatory act is applicable only to wills of persons dying on or after Oct. 1, 1967.

**Will Revoked under Prior Provisions Not Revised by 1967 Revision.** — Where testator's

will made in January 1963 was revoked under former provisions under this section by his marriage in November 1963, the will was not revived by the 1967 revision of this section providing that no will should be revoked by any change in the marital status of the maker. In re Probate of Will of Mitchell, 285 N.C. 77, 203 S.E.2d 48 (1974).

**§ 31-5.5. After-born or after-adopted child; illegitimate child; effect on will.** — (a) A will shall not be revoked by the subsequent birth of a child to the testator, or by the subsequent adoption of a child by the testator, or by the subsequent entitlement of an after-born illegitimate child to take as an heir of the testator pursuant to the provisions of G.S. 29-19(b), but any after-born, after-adopted or entitled after-born illegitimate child shall have the right to share in the testator's estate to the same extent he would have shared if the testator had died intestate unless:

- (1) The testator made some provision in the will for the child, whether adequate or not, or
- (2) It is apparent from the will itself that the testator intentionally did not make specific provision therein for the child.

(b) The provisions of G.S. 28-153 through G.S. 28-158 shall be construed as being applicable to after-adopted children and to after-born children, whether legitimate or entitled illegitimate.

(c) The terms "after-born," "after-adopted" and "entitled after-born" as used in this section refer to children born, adopted or entitled subsequent to the execution of the will. (1868-9, c. 113, s. 62; Code, s. 2145; Rev., s. 3145; C. S., s. 4169; 1953, c. 1098, s. 7; 1955, c. 541; 1973, c. 1062, s. 2.)

**Editor's Note.** —

The 1973 amendment rewrote this section.

**§ 31-5.7. Specific provisions for revocation exclusive; effect of changes in circumstances.**

**Mental Incompetency Does Not Revoke Will.** — The fact that a testator became mentally incompetent to manage his business affairs or to understand the extent of his holdings, even if

the mental condition continued to his death, would not revoke his will in whole or in part. Abbott v. Abbott, 269 N.C. 579, 153 S.E.2d 39 (1967).

**§ 31-5.8. Revival of revoked will.**

**Applied** in In re Will of Farr, 7 N.C. App. 250, 172 S.E.2d 78 (1970); In re Will of Farr, 277 N.C. 86, 175 S.E.2d 578 (1970).

**Quoted** in In re Probate of Will of Mitchell, 19 N.C. App. 236, 198 S.E.2d 233 (1973).

**Cited** in In re Probate of Will of Mitchell, 285 N.C. 77, 203 S.E.2d 48 (1974).



## ARTICLE 4.

*Depository for Wills.*

**§ 31-11. Depositories in offices of clerks of superior court where living persons may file wills.** — The clerk of the superior court in each county of North Carolina shall be required to keep a receptacle or depository in which any person who desires to do so may file his or her will for safekeeping; and the clerk shall, upon written request of the testator, or the duly authorized agent or attorney for the testator, permit said will or testament to be withdrawn from said depository or receptacle at any time prior to the death of the testator: Provided, that the contents of said will shall not be made public or open to the inspection of anyone other than the testator or his duly authorized agent until such time as the said will shall be offered for probate. (1937, c. 435, s. 1; 1971, c. 528, s. 28.)

**Editor's Note. —**

The 1971 amendment, effective Oct. 1, 1971, deleted, near the middle of the section, a

provision requiring the clerk to make a charge of fifty cents for the filing of a will.

## ARTICLE 5.

*Probate of Will.*

**§ 31-12. Executor may apply for probate.** — Any executor named in a will may, at any time after the death of the testator, apply to the clerk of the superior court, having jurisdiction, to have the same admitted to probate. Such will shall not be valid or effective to pass real estate or personal property as against innocent purchasers for value and without notice, unless it is probated or offered for probate within two years after the death of the testator or deviser or prior to the time of approval of the final account of a duly appointed administrator of the estate of the deceased, whichever time is earlier. If such will is fraudulently suppressed, stolen or destroyed, or has been lost, and an action or proceeding shall be commenced within two years from the death of the testator or deviser to obtain said will or establish the same as provided by law, then the limitation herein set out shall only begin to run from the termination of said action or proceeding, but not otherwise. (C. C. P., s. 439; Code, s. 2151; Rev., s. 3122; 1919, c. 15; C. S., s. 4139; 1921, c. 99; 1923, c. 14; 1953, c. 920, s. 2; 1975, c. 300, s. 13.)

**Cross References. —**

For present provisions as to jurisdiction with respect to an estate or trust where the clerk otherwise having jurisdiction is a subscribing witness to the will or has an interest in the estate or trust, see § 28A-2-3.

**Editor's Note. —**

The 1975 amendment, effective Oct. 1, 1975, deleted the former last sentence of this section,

which related to jurisdiction when the clerk having jurisdiction to probate was a subscribing witness or a devisee or legatee, or had a pecuniary interest in the property disposed of by the will.

For note on the problem of after-discovered wills, see 47 N.C.L. Rev. 723 (1969).

**Stated in** *In re Davis*, 277 N.C. 134, 176 S.E.2d 825 (1970).

**§ 31-13. Executor failing, beneficiary may apply.**

**"Persons Interested in the Estate".** — It is obvious from this section that the classification of a "person interested in the estate" includes persons who are neither devisees nor legatees. It is broad enough to include even a person whose interest in the estate is in opposition to

the will. *In re Davis*, 277 N.C. 134, 176 S.E.2d 825 (1970).

The designation of a person who exhibited a document for probate as "one of the executors therein named," though inaccurate, is not an affirmative showing that he was not a "person



interested in the estate" and, therefore, does not show affirmatively that the document was presented for probate by a person not authorized by this section to do so. In re Davis, 277 N.C. 134, 176 S.E.2d 825 (1970).

**Death of Only Executor Named in Will before Testator.** — Where the only executor

named in the will has died before the testator, this section does not require another person "interested in the estate" to wait sixty days before applying to the clerk for the probate of the will. In re Davis, 277 N.C. 134, 176 S.E.2d 825 (1970).

### § 31-15. Clerk may compel production of will.

**Editor's Note.** — For note on the problem of after-discovered wills, see 47 N.C.L. Rev. 723 (1969).

### § 31-17. Proof and examination in writing.

**Editor's Note.** — For comment on the necessity for proof of due execution of a will, see 3 Wake Forest Intra. L. Rev. 12 (1967).

### § 31-18.1. Manner of probate of attested written will.

**Editor's Note.** —

For comment on the necessity for proof of due execution of a will, see 3 Wake Forest Intra. L. Rev. 12 (1969).

**Cited in** Jones v. Warren, 274 N.C. 166, 161 S.E.2d 467 (1968).

### § 31-18.2. Manner of probate of holographic will.

**This section requires twofold testimony from three witnesses concerning handwriting** of the purported testator: (1) that the will is written entirely in his handwriting, and (2) that his name appearing in or on, or subscribed to, the will is in his handwriting. In re Will of Loftin, 24 N.C. App. 435, 210 S.E.2d 897 (1975).

**When Witness Is Competent to Give Opinion.** — When a witness swears that he is "well acquainted" with a decedent's handwriting, and is not asked on cross-examination how he became familiar with it, he is prima facie competent. In re Will of Loftin, 24 N.C. App. 435, 210 S.E.2d 897 (1975).

Where a witness was not asked, and he did not testify, whether he had acquired knowledge of decedent's handwriting or whether he was familiar with it, the witness was not competent to give an opinion as to handwriting, and his testimony did not satisfy the statutory requirements. In re Will of Loftin, 24 N.C. App. 435, 210 S.E.2d 897 (1975).

**Presumption of Competency Rebutted.** — See In re Will of Loftin, 24 N.C. App. 435, 210 S.E.2d 897 (1975).

**Cited in** Jones v. Warren, 274 N.C. 166, 161 S.E.2d 467 (1968); In re Will of Spinks, 7 N.C. App. 417, 173 S.E.2d 1 (1970).

### § 31-18.3. Manner of probate of nuncupative will.

**Editor's Note.** —

For note on the problem of after-discovered wills, see 47 N.C.L. Rev. 723 (1969).



**§ 31-19. Probate conclusive until vacated; substitution of consolidated bank as executor or trustee under will.**

**This section is restricted, etc. —**

In accord with original. See *Jones v. Warren*, 274 N.C. 166, 161 S.E.2d 467 (1968).

**Conclusively Valid, etc. —**

In accord with 3rd paragraph in original. See *Johnson v. Stevenson*, 269 N.C. 200, 152 S.E.2d 214 (1967).

Once a paper-writing has been probated as a will, every part of it stands until set aside by the appropriate tribunal. *Ravenel v. Shipman*, 271 N.C. 193, 155 S.E.2d 484 (1967).

Where the clerk of the superior court probates a will in common form and records it properly, the record and probate are conclusive as to the validity of the will until vacated on appeal or declared void by a competent tribunal. In re *Will of Spinks*, 7 N.C. App. 417, 173 S.E.2d 1 (1970).

**Cannot Be Attacked Collaterally. —**

Under this section, a will probated and recorded in accordance with the applicable statute may not be collaterally attacked. *Jones v. Warren*, 274 N.C. 166, 161 S.E.2d 467 (1968).

**Same — Even for Fraud. —**

The probate of a will in common form is conclusive as to the validity of the instrument until set aside in a caveat proceeding duly instituted, and while the beneficiaries under the will may be held trustees ex maleficio for extrinsic fraud which interferes with the right

to caveat the instrument, the probate may not be collaterally attacked for intrinsic fraud constituting grounds for attack of the instrument by caveat proceedings when there is nothing to show that plaintiff's right to attack by caveat was interfered with in any manner. *Johnson v. Stevenson*, 269 N.C. 200, 152 S.E.2d 214 (1967).

**Same — Muniment of Title. —**

Under this section a will probated and recorded in accordance with the applicable statute constitutes a muniment of title. *Jones v. Warren*, 274 N.C. 176, 161 S.E.2d 467 (1968).

**Clerk May Revoke Probate. —** Where the clerk of the superior court has probated as a will a document which has not been executed in accordance with the statutory requirements for probate or which shows on its face that it was not intended as a testamentary disposition of the author's property, or when other jurisdictional requirements for probate are shown to be lacking, the clerk may revoke his probate. *Ravenel v. Shipman*, 271 N.C. 193, 155 S.E.2d 484 (1967).

**The burden of proof on a motion to vacate a probate** is on the movants to establish sufficient grounds to set aside the probate. In re *Will of Spinks*, 7 N.C. App. 417, 173 S.E.2d 1 (1970).

**§ 31-24. Probate when witnesses are nonresident; examination before notary public. —** Where one or more of the subscribing witnesses to the will of a testator, resident in this State, reside in another state, or in another county in this State than the one in which the will is being probated, the examination of such witnesses may be had, taken and subscribed in the form of an affidavit, before a notary public residing in the county and state in which the witnesses reside or the clerk of superior court thereof; and the affidavits, so taken and subscribed, shall be transmitted by the notary public or clerk of superior court, under his hand and official seal, to the clerk of the court before whom the will has been filed for probate. If such affidavits are, upon examination by the clerk, found to establish the facts necessary to be established before the clerk to authorize the probate of the will if the witnesses had appeared before him personally, then it shall be the duty of the clerk to order the will to probate, and record the will with the same effect as if the subscribing witnesses had appeared before him in person and been examined under oath. (1917, c. 183; C. S., s. 4149; 1933, c. 114; 1957, c. 587, ss. 1, 1A.)

**Editor's Note. —**

This section is set out to correct a typographical error in the original.

**§ 31-31.1. Validation of probates of wills when witnesses examined before notary public; acts of deputy clerks validated. —** Whenever any last will and testament has been probated, based upon the examination of the subscribing witness or the subscribing witnesses, taken before a notary public in the county in which the will is probated, or taken before a notary public of any other county, it is hereby in all respects validated and shall be sufficient to pass the title to all real and personal property purported to be transferred thereby.



All acts heretofore performed by deputy clerks of the superior court in taking acknowledgments, examining witnesses and probate of any wills, deeds and other instruments required or permitted by law to be recorded, are hereby validated. Nothing herein contained shall affect pending litigation. (1945, c. 822; 1973, c. 445.)

**Editor's Note.** — Session Laws 1973, c. 445, reenacted this section without change.

## ARTICLE 6.

### *Caveat to Will.*

**§ 31-32. When and by whom caveat filed.** — At the time of application for probate of any will, and the probate thereof in common form, or at any time within three years thereafter, any person entitled under such will, or interested in the estate, may appear in person or by attorney before the clerk of the superior court and enter a caveat to the probate of such will: Provided, that if any person entitled to file a caveat be within the age of 18 years, or insane, or imprisoned, then such person may file a caveat within three years after the removal of such disability.

Notwithstanding the provisions of the first paragraph of this section, as to persons not under disability, a caveat to the probate of a will probated in common form prior to May 1, 1951, must be filed within seven years of the date of probate or within three years from May 1, 1951, whichever period of time is shorter. (C. C. P., s. 446; Code, s. 2158; Rev., s. 3135; 1907, c. 862; C. S., s. 4158; 1925, c. 81; 1951, c. 496, ss. 1, 2; 1971, c. 1231, s. 1.)

#### **Editor's Note.** —

The 1971 amendment substituted "18" for "twenty-one" in the first paragraph.

For note on the problem of after-discovered wills, see 47 N.C.L. Rev. 723 (1969).

**The purpose of a caveat** is to determine whether the paper-writing purporting to be a will is in fact the last will and testament of the person for whom it is propounded. In re Will of Spinks, 7 N.C. App. 417, 173 S.E.2d 1 (1970).

#### **But when a caveat is filed, etc.** —

In accord with original. See In re Will of Burton, 267 N.C. 729, 148 S.E.2d 862 (1966).

#### **Probate in Common Form, etc.** —

When a will is probated in solemn form it cannot be caveated a second time unless or until the verdict and judgment probating the will in solemn form is set aside upon a motion in the original cause; therefore, the will, if it was first probated in common form, still stands as the last will and testament until declared void in a direct proceeding in the nature of a caveat. In re Will of Burton, 267 N.C. 729, 148 S.E.2d 862 (1966).

#### **When Proceeding, etc.** —

It is only by a caveat or proceeding in that nature that the validity of a properly probated will, and one without inherent or fatal defect appearing on its face, may be brought in question. In re Will of Spinks, 7 N.C. App. 417, 173 S.E.2d 1 (1970).

#### **The attack upon a will, etc.** —

In accord with 1st paragraph in original. See Johnson v. Stevenson, 269 N.C. 200, 152 S.E.2d 214 (1967).

#### **Thus, Another Purported Will, etc.** —

In accord with original. See In re Will of Burton, 267 N.C. 729, 148 S.E.2d 862 (1966).

**Direct Attack by Caveat Held Adequate Remedy.** — Where the grounds on which plaintiff sought to establish a constructive trust in property disposed of by her parents' will were equally available as grounds for direct attack on the will by caveat, this right of direct attack by caveat gave plaintiff a full and complete remedy at law, and she was not entitled to equitable relief. Johnson v. Stevenson, 269 N.C. 200, 152 S.E.2d 214 (1967).

#### **A proceeding to contest a will is begun, etc.** —

The filing of a caveat is the customary and statutory procedure for an attack upon the testamentary value of a paper-writing which has been admitted by the clerk of superior court to probate in common form. In re Will of Spinks, 7 N.C. App. 417, 173 S.E.2d 1 (1970).

#### **Beneficiaries under Alleged, etc.** —

Beneficiaries under a prior paper writing are persons interested within the purview of this section and are entitled to file a caveat to a subsequent instrument probated in common form, notwithstanding they are not heirs of the deceased and are not named as beneficiaries in the writing they seek to nullify. Sigmund



*Sternberger Foundation v. Tannenbaum*, 273 N.C. 658, 161 S.E.2d 116 (1968).

**Applied** in *In re Will of Peacock*, 18 N.C. App. 554, 197 S.E.2d 254 (1973).

**Cited** in *In re Will of Edgerton*, 26 N.C. App. 471, 216 S.E.2d 476 (1975).

**§ 31-33. Bond given and cause transferred to trial docket.** — When a caveator shall have given bond with surety approved by the clerk, in the sum of two hundred dollars (\$200.00), payable to the propounder of the will, conditioned upon the payment of all costs which shall be adjudged against such caveator in the superior court or when a caveator shall have deposited money or given a mortgage in lieu of such bond, or shall have filed affidavits and satisfied the clerk of his inability to give such bond or otherwise secure such costs, the clerk shall transfer the cause to the superior court for trial. Such caveator shall cause notice of the caveat proceeding to be given to all devisees, legatees, or other persons in interest in the manner provided for service of process by G.S. 1A-1, Rule 4(j) and (k). The notice shall advise such devisees, legatees, or other persons in interest, of the session of superior court to which the proceeding has been transferred and shall call upon them to appear and make themselves proper parties to the proceeding if they so choose. At the session of court to which such proceeding is transferred, or as soon thereafter as motion to that effect shall be made by the propounder, and before trial, the judge shall require any of the devisees, legatees or other persons in interest so cited, either those who make themselves parties with the caveators or whose interests appear to him antagonistic to that of the propounders of the will, to align themselves and to file bond within such time as he shall direct and before trial. Upon the failure of any party to file such bond, the judge shall dismiss that party from the proceeding but that party shall be bound by the proceeding. (C. C. P., s. 447; Code, s. 2159; 1899, c. 13; 1901, c. 748; Rev., s. 3136; 1909, c. 74; C. S., s. 4159; 1947, c. 781; 1971, c. 528, s. 29; 1973, c. 458.)

**Editor's Note.** —

The 1971 amendment, effective Oct. 1, 1971, substituted "session" for "term" in two places.

The 1973 amendment, effective Oct. 1, 1973, rewrote this section.

## ARTICLE 7.

### *Construction of Will.*

#### **§ 31-38. Devise presumed to be in fee.**

**It Applies to Real and Personal Property.** —

In accord with original. See *YWCA v. Morgan*, 281 N.C. 485, 189 S.E.2d 169 (1972).

**Quoted** in *Olive v. Biggs*, 276 N.C. 445, 173 S.E.2d 301 (1970).

#### **§ 31-39. Probate necessary to pass title; recordation in county where land lies; rights of innocent purchasers.**

**Editor's Note.** — For note on the problem of after-discovered wills, see 47 N.C.L. Rev. 723 (1969).

**Devised property vests in devisee at time will is probated**, subject to liens of deeds of trust. *Cable v. Hardin Oil Co.*, 10 N.C. App. 569, 179 S.E.2d 829 (1971).

**Hence, devisee owns equity of redemption in the property.** *Cable v. Hardin Oil Co.*, 10 N.C. App. 569, 179 S.E.2d 829 (1971).

Where, subsequent to the execution of the will, the property is subjected to the liens of various deeds of trust, these added encumbrances do not prevent the equity of redemption, which was retained by the testatrix, from passing under the will. *Cable v. Hardin Oil Co.*, 10 N.C. App. 569, 179 S.E.2d 829 (1971).

**Applied** in *Jones v. Warren*, 274 N.C. 166, 161 S.E.2d 467 (1968).



**§ 31-40. What property passes by will.** — Any testator, by his will duly executed, may devise, bequeath, or dispose of all real and personal estate which he shall be entitled to at the time of his death, and which, if not so devised, bequeathed, or disposed of, would descend or devolve upon his heirs at law, or upon his executor or administrator; and the power hereby given shall extend to all contingent, executory, or other future interest in any real or personal estate, whether the testator may or may not be the person or one of the persons in whom the same may become vested, or whether he may be entitled thereto under the instrument by which the same was created, or under any disposition thereof by deed or will; and also to all rights of entry for conditions broken, whether any such condition has or has not been broken at the testator's death, all other rights of entry, and possibilities of reverter; and also to such of the same estates, interests, and rights respectively, and other real and personal estate, as the testator may be entitled to at the time of his death, notwithstanding that he may become entitled to the same subsequently to the execution of his will. (1844, c. 88, s. 1; R. C., c. 119, s. 5; Code, s. 2140; Rev., s. 3140; C. S., s. 4164; 1973, c. 1446, s. 15.)

**Editor's Note.** — The 1973 amendment substituted "whether any such condition has or has not been broken at the testator's death, all

other rights of entry, and possibilities of reverter" for "and other rights of entry" near the middle of the section.

### § 31-41. Will relates to death of testator.

**Time at Which Will Construed — Property Devised or Bequeathed.** — As to the property devised or bequeathed, the will is construed as if executed immediately prior to the testator's death. *Peele v. Finch*, 284 N.C. 375, 200 S.E.2d 635 (1973).

**Same — Identity of Devisee or Legatee.** — As to the identity of the devisee or legatee, however, a will is to be construed, nothing else appearing, in the light of circumstances known to the testator at the time of its actual execution. *Peele v. Finch*, 284 N.C. 375, 200 S.E.2d 635 (1973).

**Specific Bequest of Stock Did Not Include Accretion from Stock Split.** — A specific bequest of common stock took effect as if the bequest were made immediately before the testator's death, and consequently the bequest did not include accretions resulting from a stock

split occurring subsequent to the execution of the will and prior to testator's death. *North Carolina Nat'l Bank v. Carpenter*, 12 N.C. App. 19, 182 S.E.2d 3 (1971), *aff'd*, 280 N.C. 705, 187 S.E.2d 5 (1972).

**Or Accretion from Recapitalization.** — Where testator owned 900 shares of the stock of a corporation at the time he executed a will bequeathing 10 shares of the stock to his employee, and, as a result of a recapitalization, the 900 shares were retired and 250,000 shares of new stock were issued to testator in lieu thereof prior to testator's death, the employee was entitled to receive under the will only 10 shares of the stock as it existed at testator's death without accretions resulting from the recapitalization. *North Carolina Nat'l Bank v. Carpenter*, 280 N.C. 705, 187 S.E.2d 5 (1972).

### § 31-42. Failure of devises and legacies by lapse or otherwise; renunciation.

(d) Renunciation of a devise or legacy shall be as provided for in Chapter 31B of the General Statutes. (1844, c. 88, s. 4; R. C., c. 119, s. 7; Code, s. 2142; Rev., s. 3142; 1919, c. 28; C. S., s. 4166; 1951, c. 762, s. 1; 1953, c. 1084; 1965, c. 938, s. 1; 1975, c. 371, s. 3.)

**Editor's Note.** —

The 1975 amendment, effective Oct. 1, 1975, added subsection (d).

As the rest of the section was not changed by the amendment, only subsection (d) is set out.

**Legislative Intent.** — The legislature did not intend that the issue of a devisee or legatee meeting the conditions of subsection (a) could be substituted for that devisee or legatee as to a specific devise or bequest and not allowed to be



similarly substituted if the same devisee or legatee were named as one of the residuary devisees or legatees. *Bear v. Bear*, 3 N.C. App. 498, 165 S.E.2d 518 (1969).

**Construction.** — Subsection (a) of this section is designed and intended to prevent the lapse of a devise or bequest, whether it be specific or residuary, in a situation where the devisee or legatee, who would have taken had he survived the testator, predeceases testator survived by issue who survive the testator and who would have been heirs of testator had there been no will. If this situation does not exist, then the devise or legacy lapses and passes under the provisions of subsection (c) (1) under the residuary or by intestacy, if there be no residuary. If lapse of a residuary devise or legacy cannot be prevented by application of subsection (a), then under subsection (c) (2) it continues a part of the residue and passes to the other residuary legatees or devisees, if any. If none, it passes as if testator had died intestate with respect thereto. That this construction manifests the intent of the legislature is further evidenced by the clear language of the statute itself. Subsection (c) (2) is applicable, with respect to residuary devises or legacies, only where subsection (a) is not applicable. It would follow, that if the legislature had intended to exclude residuary devises and legacies from the operation of subsection (a), it would have specifically limited the section to specific legacies and devises, omitted subdivision (2) from the provisions of subsection (c), and treated residuary devises and legacies in a separate provision of the statute unrelated to any other section. *Bear v. Bear*, 3 N.C. App. 498, 165 S.E.2d 518 (1969).

**This section is applicable to wills of persons dying on or after 1 July 1965.** *Bear v. Bear*, 3 N.C. App. 498, 165 S.E.2d 518 (1969).

**Prior to the 1965 amendment**, in a situation where testator gave the residue of his estate to A, B, and C and A predeceased testator leaving no issue entitled to the property under the anti-lapse statute, A's share would pass to the heirs of testator as intestate property. After the 1965 amendment the application thereof would result

in A's share continuing as a part of the residue for division among the other residuary legatees and devisees. *Bear v. Bear*, 3 N.C. App. 498, 165 S.E.2d 518 (1969).

**Subsection (a) applies to residuary devises or bequests.** *Bear v. Bear*, 3 N.C. App. 498, 165 S.E.2d 518 (1969).

**No particular mode of expression is necessary to constitute a residuary clause.** The words "rest," "residue," or "remainder" are commonly used in the residuary clause, whose natural position is at the end of the disposing portion of the will; but all that is necessary is an adequate designation of what has not otherwise been disposed of, and the fact that a provision so operating is not called the residuary clause is immaterial. *Barnascascel v. Spivey*, 11 N.C. App. 269, 181 S.E.2d 151 (1971).

**"Residuary Devisee".** — Residuary devisee is defined as the person named in a will, who is to take all the real property remaining over and above the other devises. *Bear v. Bear*, 3 N.C. App. 498, 165 S.E.2d 518 (1969).

**"Residuary Legatee".** — Residuary legatee is defined as the person to whom a testator bequeaths the residue of his personal estate, after the payment of such other legacies as are specifically mentioned in the will. *Bear v. Bear*, 3 N.C. App. 498, 165 S.E.2d 518 (1969).

**"The Other Residuary Devisees or Legatees, If Any".** — This section, by use of the words "the other residuary devisees or legatees, if any," refers to those residuary devisees or legatees named in the will and not to "such issue of the devisee or legatee as survive testator" who may have been substituted under subsection (a) of this section. *Bear v. Bear*, 3 N.C. App. 498, 165 S.E.2d 518 (1969).

**Applicability of Subsection (c) (2).** — Subsection (c) (2) of this section is applicable only where there are other residuary devisees or legatees named in the will who survive the testator. *Bear v. Bear*, 3 N.C. App. 498, 165 S.E.2d 518 (1969).

**Applied in** *Rape v. Lyerly*, 287 N.C. 601, 215 S.E.2d 737 (1975).

**Cited in** *Rodman v. Rodman*, 21 N.C. App. 397, 204 S.E.2d 695 (1974).

## § 31-43. General gift by will an execution of power of appointment.

**Purpose of Section.** — It has been suggested that this section was passed to guard against the inadvertence of a life tenant with a general power of appointment. Accustomed throughout his life to treating the land as if it were his in fee, he might overlook making a specific appointment of the particular property and attempt to dispose of it by a general devise. In such event, if he owned other property which would pass under the devise, the power remained unexecuted and his devisees lost the

property by his default. *Wachovia Bank & Trust Co. v. Hunt*, 267 N.C. 173, 148 S.E.2d 41 (1966).

**This section is identical with § 27 of the English Wills Act of 1837** (7 Wm. IV & 1 Vict. ch. 26). *Wachovia Bank & Trust Co. v. Hunt*, 267 N.C. 173, 148 S.E.2d 41 (1966).

**Which Is Held Applicable Only to General Powers.** — Construing the Wills Act of 1837, the English courts have held that § 27, which is identical with this section, is applicable only to general powers of appointment. *Wachovia Bank*



& Trust Co. v. Hunt, 267 N.C. 173, 148 S.E.2d 41 (1966).

**As Is This Section.** — The effect of this section is that a general devise or bequest shall be construed to include any real or personal property which the testator may have power to appoint in any manner he may think proper and shall operate as an execution of such power unless a contrary intention appears in the will. A power to appoint in any manner the donee may think proper is a power upon which no restrictions are imposed — a general power. This section thus applies only to general powers of appointment. Wachovia Bank & Trust Co. v. Hunt, 267 N.C. 173, 148 S.E.2d 41 (1966).

The case of Johnston v. Knight, 117 N.C. 122, 23 S.E. 92 (1895), merely applied the rule that

where the donee of a power, general or special, clearly manifests an intention to execute it, effect will be given to his intent. It did not extend the applications of this section to special powers. Wachovia Bank & Trust Co. v. Hunt, 267 N.C. 173, 148 S.E.2d 41 (1966).

**Hence, Special Power Is Not Executed by General Devise Not Showing Such Intent.** — A general devise by a testator to his wife cannot be construed to include trust property over which he had a special or limited power of appointment, where his will discloses no intent to execute the power, since this section applies only to general powers. Wachovia Bank & Trust Co. v. Hunt, 267 N.C. 173, 148 S.E.2d 41 (1966).

## ARTICLE 8.

### *Devise or Bequest to Trustee of an Existing Trust.*

**§ 31-47. Devise or bequest to trustee of an existing trust.** — A devise or bequest in a will duly executed pursuant to the provisions of this Chapter may be made in form or substance to the trustee of any trust, including an existing testamentary trust, if established in writing prior to the execution of such will. Such devise or bequest shall not be invalid because the trust is amendable or revocable or both by the settlor or any other person or persons; nor because the trust instrument or any amendment thereto was not executed in the manner required for wills, nor because the trust was amended after execution of the will. Unless the will provides otherwise, such devise or bequest shall operate to dispose of property under the terms of the trust as they appear in writing at the testator's death and the property shall not be deemed held under a testamentary trust. An entire revocation of the trust prior to the testator's death shall invalidate the devise or bequest. (1955, c. 388; 1957, c. 783, s. 1; 1975, c. 161.)

**Editor's Note.** — The 1975 amendment substituted "any trust, including an existing

testamentary trust, if" for "a trust" in the first sentence.



## Chapter 31A.

## Acts Barring Property Rights.

## ARTICLE 1.

*Rights of Spouse.*

## § 31A-1. Acts barring rights of spouse.

**Right to Take under Will Not Forfeited by Abandonment.** — The right of the widow to take under her husband's will that which he saw fit to bequeath or devise to her is not among the rights which this section declares forfeited by her abandonment of him. *Abbott v. Abbott*, 269 N.C. 579, 153 S.E.2d 39 (1967).

**Divorce Does Not Annul or Revoke Designation of Insurance Beneficiary.** — Neither § 50-11 which provides that "all rights arising out of the marriage shall cease and determine," nor this section which bars rights to "any rights or interests in the property of the other spouse" discloses a legislative intent that divorce should annul or revoke the beneficiary

designation in a garden-variety insurance certificate. *DeVane v. Travelers Ins. Co.*, 8 N.C. App. 247, 174 S.E.2d 146 (1970).

**Negligence Is Not Ground for Forfeiture.** — The surviving spouse does not lose his right of inheritance because the claim arose on account of the negligence of the surviving spouse since negligence is not one of the grounds for forfeiture of marital rights as set out in this section. *Wilson v. Miller*, 20 N.C. App. 156, 201 S.E.2d 55 (1973).

**Cited in Imperial Tobacco Group Ltd. v. Peoples Bank & Trust Co.**, 7 N.C. App. 202, 171 S.E.2d 807 (1970).

## ARTICLE 2.

*Parents.*

## § 31A-2. Acts barring rights of parents.

**Parent Not Barred from Workman's Compensation Death Benefits.** — This section, under certain conditions, bars a parent who has abandoned his child from all right to intestate succession in any part of the child's estate, but in the absence of a similar provision with reference to workmen's compensation death benefits, the Court of Appeals cannot judicially impose a forfeiture, no matter how unworthy the beneficiary. *Smith v. Allied Exterminators, Inc.*, 11 N.C. App. 76, 180 S.E.2d 390 (1971).

**Abandoning Parent Does Not Share Death Benefits.** — Where the father wilfully abandoned the care and maintenance of the deceased during the latter's minority, this section provides that the father loses all right to intestate succession in the distribution of the

personal estate of his intestate deceased child and consequently, he does not share in the death benefits for which the employer or its carrier is liable under § 97-38. *Smith v. Allied Exterminators, Inc.*, 279 N.C. 583, 184 S.E.2d 296 (1971).

**Or Wrongful Death Proceeds.** — This section acts to preclude a parent who comes within its provisions from sharing in wrongful death proceeds. *Williford v. Williford*, 26 N.C. App. 61, 214 S.E.2d 787 (1975).

Since plaintiff lost all right to intestate succession in any part of his child's estate, because of abandonment, he could not share in any proceeds from a claim for the wrongful death of his child. *Williford v. Williford*, 26 N.C. App. 61, 214 S.E.2d 787 (1975).

## ARTICLE 3.

*Wilful and Unlawful Killing of Decedent.*

## § 31A-3. Definitions.

As to legislative history of paragraph (3)a, see *Quick v. United Benefit Life Ins. Co.*, 287 N.C. 47, 213 S.E.2d 563 (1975).

"Willful" as used in paragraph (3)a refers to an "intentional" homicide. *Quick v. United Benefit Life Ins. Co.*, 287 N.C. 47, 213 S.E.2d 563 (1975).

The crime of involuntary manslaughter is not a "willful" killing within the meaning of paragraph (3)a. *Quick v. United Benefit Life Ins. Co.*, 287 N.C. 47, 213 S.E.2d 563 (1975).

A person who has been convicted of involuntary manslaughter of another has not been convicted of a "willful" killing within the



meaning of paragraph (3)a and thus is not a slayer who is barred by this Chapter from receiving the proceeds of a life insurance policy on the life of the deceased. *Lofton v. Lofton*, 26 N.C. App. 203, 215 S.E.2d 861 (1975).

**Proof of conviction of involuntary manslaughter does not, per se, disqualify defendant** from receiving the insurance proceeds under § 31A-11. *Quick v. United Benefit Life Ins. Co.*, 287 N.C. 47, 213 S.E.2d 563 (1975).

**Paragraph (3)a envisions a conviction of unlawful homicide.** *Lofton v. Lofton*, 26 N.C. App. 203, 215 S.E.2d 861 (1975).

**Which Is a Felony.** — See *Lofton v. Lofton*, 26 N.C. App. 203, 215 S.E.2d 861 (1975).

**Finding by Court Was Not Conviction.** — The finding made by a district court judge that “this child did willfully and with malice aforethought murder his mother and father” did not constitute a conviction as envisioned by paragraph (3)a, therefore, the “barring” provisions of this Chapter do not apply. *Lofton v. Lofton*, 26 N.C. App. 203, 215 S.E.2d 861 (1975).

**Section 31A-13 has no applicability where the alleged wrongdoer has not been determined a “slayer”** within the purview of subdivision (3). *Quick v. United Benefit Life Ins. Co.*, 287 N.C. 47, 213 S.E.2d 563 (1975).

**Applied in** *Tew v. Durham Life Ins. Co.*, 1 N.C. App. 94, 160 S.E.2d 117 (1968).

## § 31A-4. Slayer barred from testate or intestate succession and other rights.

**Estate of Decedent Determined at Date of Her Actual Death.** — This section makes no attempt artificially to alter the date of the death of the decedent but provides instead that the actual date of death of the slayer is to be disregarded. Therefore, if the language of the statute is followed, the estate of the decedent is determined at the date of her actual death, and the law calls the roll of the class immediately as of that time; those who can then answer, take. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

This section provides in part that, for purposes of distributing the estate of the decedent, “the slayer shall be deemed to have died immediately prior to the death of the decedent.” In view of this express statutory presumption, it is clear that the words “the estate of the wife” as the same are used in § 31A-5 (2) mean the estate of the murdered wife as the same comes into existence at the instant of her death, and the title to the entireties property at that moment passes to those persons who would be entitled to succeed to her interest in such property as of the moment of her death if she had in fact survived

her husband, subject only to his recognized right to “hold” the property during his lifetime. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

**Wrongful Act Bars Husband from Share of Wrongful Death Recovery.** — In an action by an administrator under the Wrongful Death Act where a husband caused the death of his wife, the award must be reduced by the statutory share of the wrongdoer. *St. Paul Fire & Marine Ins. Co. v. Lack*, 476 F.2d 583 (4th Cir. 1973).

**This result is not precluded by this section**, which excludes the wrongdoer from taking by declaring him to have constructively died prior to the deceased, since the slayer’s exclusion by this section appears to apply only to inheritance from the decedent’s “estate,” while wrongful death awards have consistently been deemed not to pass through the personal estate of the deceased, but rather to arise out of a right of action belonging peculiarly to the personal representative for the benefit of the intestate successors. *St. Paul Fire & Marine Ins. Co. v. Lack*, 476 F.2d 583 (4th Cir. 1973).

**Cited in** *Lofton v. Lofton*, 26 N.C. App. 203, 215 S.E.2d 861 (1975).

## § 31A-5. Entirety property.

**“Estate”.** — The word “estate” as used in this section means those persons, other than the slayer, who succeed to the rights of the decedent either by testate or intestate succession as the case may be. To accomplish the purpose of this section and consistent with the clear language of § 31A-4, the slayer cannot be included in this class. In cases in which the decedent has made testamentary disposition of the real property involved, this interpretation gives effect to the

decedent’s will. If there is no will, or if the decedent left a will but made no disposition therein of the real property involved, the decedent’s “estate” consists of those persons who become entitled to succeed to the decedent’s property under the intestate succession laws. In either event under § 31A-4 the slayer is not included. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

The correctness of the interpretation of the



words "estate of the wife" in subdivision (2) as meaning the estate as it came into existence at the moment of her actual death, is strengthened by an examination of subdivision (1) of this section, which deals with the situation when the wife is the slayer. In such case the statute provides that "one half of the property shall pass upon the death of the husband to his estate, and the other one half shall be held by the wife, subject to pass upon her death to the estate of the husband." It is not reasonable to suppose that the legislature in subdivision (1) intended the word "estate" to have one meaning as to one half of the property and another meaning as to the other one half. Rather, it is more reasonable to suppose that the word "estate" as twice used in the same sentence was intended to have the same meaning, and that it refers to the estate of the deceased as such estate comes into existence at the moment of actual death. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

The language "he shall hold all of the property during his life" was employed by the legislature, not for the purpose of barring any alienation of the property until after the slayer-husband's death, but in order to recognize and preserve the husband's lifetime rights in the property. The legislature clearly intended that even the slayer-husband should not forfeit what was always recognized as his — the right to possession and income from the property for his lifetime. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

The words "shall hold," as used in this section were not intended to effect a complete restraint on alienation during the husband's lifetime. On the contrary, the word "hold," as used in the statute, is used in the same sense as when used in the habendum clause of a deed. Certainly the word "hold" as used in the habendum clause of a deed is never construed to place a restraint on alienation, and the very words used in this statute, "hold all of the property during his life subject to pass upon his death to the estate of the wife," if used in a deed, would not prevent the husband from selling his life interest in the property. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

The words "pass upon his death" refer exclusively to possession and enjoyment of the property and not to vesting in interest. In effect, the slayer-husband holds a life estate in the property with a vested remainder in the estate of his deceased wife, and the persons entitled to succeed to her estate are to be determined as of the actual date of her death, not as of the subsequent date when the husband's life estate terminates upon his death. This interpretation is further supported by the express language of this chapter as well as by reference to the purposes to be achieved by the statute. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

**"The Estate of the Wife."** — Section 31A-4 provides in part that, for purposes of distributing the estate of the decedent, "the slayer shall be deemed to have died immediately prior to the death of the decedent." In view of this express statutory presumption, it is clear that the words "the estate of the wife" as the same are used in subdivision (2) mean the estate of the murdered wife as the same comes into existence at the instant of her death, and the title to the entirety property at that moment passes to those persons who would be entitled to succeed to her interest in such property as of the moment of her death if she had in fact survived her husband, subject only to his recognized right to "hold" the property during his lifetime. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

**Section recognizes distinction in rights held by husband as compared with rights held by wife in entirety property** by providing that the slayer-husband shall hold all of the property during his life subject to pass upon his death to the estate of the wife, whereas the slayer-wife is to hold only one half of the property during her lifetime subject to pass upon her death to the estate of the husband, while the other one half of the property in such case shall pass upon the death of the husband to his estate. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

**The slayer-husband holds the interest of his deceased wife in the property as a trustee for her heirs at law.** He should be perpetually enjoined from conveying the property in fee; the plaintiffs should be adjudged the sole owners, upon the decedent's death, of the entire property as the heirs of their deceased mother. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

**Slayer-Husband Has Right to Lifetime Possession, Income and Usufruct.** — In preserving the slayer-husband's right to hold all of the property during his life, subdivision (2) of this section recognizes his right to the lifetime possession, income, and usufruct, of the property, and thereby avoids the possibility that the statute might be considered unconstitutional as working a forfeiture of a vested property right for crime. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

Where husband and wife own real property as tenants by the entirety, the husband is solely entitled, to the exclusion of the wife, to the possession, income, and usufruct of such property during their joint lives. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

**Estate of Decedent Determined at Date of Her Actual Death.** — Section 31A-4 makes no attempt artificially to alter the date of the death of the decedent, but provides instead that the actual date of death of the slayer is to be disregarded. Therefore, if the language of the statute is followed, the estate of the decedent is



determined at the date of her actual death, and the law calls the roll of the class immediately as of that time; those who can then answer, take. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

**This section does not bar the alienation of the entire title to the property by joint conveyance of the slayer-husband and the heirs of the decedent.** To so interpret the statute would run contrary to the established policy of North Carolina law, which is to prevent undue restraint upon or suspension of the right of alienation. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

### § 31A-6. Survivorship property.

**The slayer-husband should have only the income during his lifetime from his one-half share of a joint bank account,** subject to the rights of his creditors, and at his death the

**The slayer-husband cannot convey more than his own interest** in the entirety property and certainly no conveyance of his can work a detriment to the rights of the estate of his deceased wife. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

**Where there is a bequest to one for life, and after his decease to the testator's next of kin,** the next of kin who are to take are the persons who answer that description at the death of the testator, and not those who answer that description at the death of the first taker. *Porth v. Porth*, 3 N.C. App. 485, 165 S.E.2d 508 (1969).

### § 31A-11. Insurance benefits.

**Proof of conviction of involuntary manslaughter does not, per se, disqualify defendant from receiving the insurance proceeds** under this section. *Quick v. United Benefit Life Ins. Co.*, 287 N.C. 47, 213 S.E.2d 563 (1975).

**But Culpable Negligence Does.** — Under the common law of this State defendant was disqualified from receiving any insurance proceeds from the policy insuring her deceased husband's life, since the killing, although unintentional, nonetheless resulted from her culpable negligence, that is, conduct incompatible with a proper regard for human life. *Quick v. United Benefit Life Ins. Co.*, 287 N.C. 47, 213 S.E.2d 563 (1975).

Culpable negligence proximately resulting in death comes within the purview of the common-law maxim that no one shall be permitted to profit by his own wrong. *Quick v. United Benefit Life Ins. Co.*, 287 N.C. 47, 213 S.E.2d 563 (1975).

**Evidence Sufficient to Support Conclusion That Beneficiary Was Disqualified.** — Evidence not objected to that a defendant beneficiary had been convicted of the involuntary manslaughter of the insured was sufficient to support the court's conclusion that

defendant is disqualified under the common law from receiving the proceeds of the insurance policy. *Lofton v. Lofton*, 26 N.C. App. 203, 215 S.E.2d 861 (1975).

**Legislature specifically included in subsection (b) a proviso to deal with alternative beneficiaries.** *Gardner v. Nationwide Life Ins. Co.*, 22 N.C. App. 404, 206 S.E.2d 818 (1974).

**"Some Person" Should Not Be Narrowly Construed.** — The term "some person" contained within the proviso in subsection (b) should not be narrowly construed. *Gardner v. Nationwide Life Ins. Co.*, 22 N.C. App. 404, 206 S.E.2d 818 (1974).

**Those Related to Slayer Named as Alternative Beneficiaries May Benefit.** — The public policy sought to be fostered by the enactment of this Chapter is predicated upon the theory that the murderer himself will not profit by his own wrongdoing; however, this principle does not extend to those related to the slayer, when they are named in the insurance contract as alternative beneficiaries. *Gardner v. Nationwide Life Ins. Co.*, 22 N.C. App. 404, 206 S.E.2d 818 (1974).

## ARTICLE 4.

### *General Provisions.*

### § 31A-13. Record determining slayer admissible in evidence.

**This section is simply a statutory exception** to the universal rule that the record of a

conviction in a criminal proceeding is not admissible in a subsequent civil action to prove



the guilt or innocence of the person tried. *Quick v. United Benefit Life Ins. Co.*, 287 N.C. 47, 213 S.E.2d 563 (1975).

**It has no applicability where the alleged wrongdoer has not been determined a "slayer"** within the purview of § 31A-3(3). *Quick v. United Benefit Life Ins. Co.*, 287 N.C. 47, 213 S.E.2d 563 (1975).

**If the party seeking to disqualify the beneficiary cannot proceed under this Chapter** — as when the jury in the criminal proceeding finds the wrongdoer guilty of involuntary manslaughter — then his only remaining remedy is to proceed under the common law. *Quick v. United Benefit Life Ins. Co.*, 287 N.C. 47, 213 S.E.2d 563 (1975).

### § 31A-15. Chapter to be broadly construed.

**As to legislative history**, see *Quick v. United Benefit Life Ins. Co.*, 287 N.C. 47, 213 S.E.2d 563 (1975).

**This section preserved the common law**, both substantively and procedurally, as to all acts not specifically provided for in this Chapter. *Quick v. United Benefit Life Ins. Co.*, 287 N.C. 47, 213 S.E.2d 563 (1975); *Lofton v. Lofton*, 26 N.C. App. 203, 215 S.E.2d 861 (1975).

This Chapter does not wholly supplant the common law, which prevents a beneficiary in a policy of life insurance whose culpable negligence caused the death of the insured from collecting the proceeds of the policy. *Quick v. United Benefit Life Ins. Co.*, 287 N.C. 47, 213 S.E.2d 563 (1975).

### **Where Wrongdoer Convicted of Crime Not Amounting to "Willful and Unlawful Killing".**

— When the wrongdoer is not disqualified by this Chapter from receiving the insurance proceeds, and the common law must be relied on for such disqualification, the record of a criminal conviction of the wrongdoer for a crime not amounting to a "willful and unlawful killing," such as a conviction for involuntary manslaughter, is not admissible, and it is necessary to prove at the trial the factual circumstances relating to the killing from which the court can determine the issue. *Lofton v. Lofton*, 26 N.C. App. 203, 215 S.E.2d 861 (1975).

**Cited in** *Tew v. Durham Life Ins. Co.*, 1 N.C. App. 94, 160 S.E.2d 117 (1968).

The provisions of this Chapter do not completely supplant the common-law principle prevailing in North Carolina that a person should not be allowed to profit by his own wrong. *Lofton v. Lofton*, 26 N.C. App. 203, 215 S.E.2d 861 (1975).

**If the party seeking to disqualify the beneficiary cannot proceed under this Chapter** — as when the jury in the criminal proceeding finds the wrongdoer guilty of involuntary manslaughter — then his only remaining remedy is to proceed under the common law. *Quick v. United Benefit Life Ins. Co.*, 287 N.C. 47, 213 S.E.2d 563 (1975).



**Chapter 31B.****Renunciation of Transfers by Will, Intestacy,  
Appointment or Insurance Contract Act.**

Sec.

- 31B-1. Right to renounce succession.  
31B-2. Time and place of filing renunciation.  
31B-3. Effect of renunciation.  
31B-4. Waiver and bar.

Sec.

- 31B-5. Exclusiveness of remedy.  
31B-6. Application of Chapter.  
31B-7. Short title.

**Editor's Note.** — Session Laws 1975, c. 371,  
s. 6, makes the act effective Oct. 1, 1975.

**§ 31B-1. Right to renounce succession.** — (a) A person who succeeds to a property interest as:

- (1) Heir, or
- (2) Next of kin, or
- (3) Devisee, or
- (4) Legatee, or
- (5) Beneficiary of a life insurance policy who did not possess the incidents of ownership under the policy at the time of death of the insured, or
- (6) Person succeeding to a renounced interest, or
- (7) Beneficiary under a testamentary trust or under an inter vivos trust which takes under a will, or
- (8) Appointee under a power of appointment exercised by a testamentary instrument, or
- (9) The duly authorized or appointed guardian with the prior or subsequent approval by the clerk of superior court, or by the resident judge of the superior court of any of the above, or
- (10) The personal representative appointed under Chapter 28A of any of the above,

or the attorney in fact of any of the above may renounce in whole or in part the right of succession to any property or interest therein, including a future interest, by filing a written instrument under the provisions of this Chapter. Provided, however, there shall be no right of partial renunciation if the decedent or donee of the power expressly so provided in the instrument creating the interest.

(b) In no event shall the persons who succeed to the renounced interest receive from the renouncement a greater share than the renouncer would have received.

(c) The instrument shall (i) describe the property or interest renounced, (ii) declare the renunciation and extent thereof, (iii) be signed and acknowledged by the person authorized to renounce. (1975, c. 371, s. 1.)

**§ 31B-2. Time and place of filing renunciation.** — (a) An instrument renouncing a present interest shall be filed not later than seven months after the death of the decedent or the donee of the power.

(b) An instrument renouncing a future interest shall be filed not later than six months after the event by which the taker of the property or interest is finally ascertained and his interest indefeasibly vested and he is entitled to possession.

(c) The renunciation shall be filed with the clerk of court of the county in which proceedings have been commenced for the administration of the estate of the deceased owner or deceased donee of the power or, if they have not been commenced, in which they could be commenced. Every renunciation provided for in this subsection shall be recorded and cross-indexed by the clerk in a record entitled "Renunciation." The record of renunciation shall contain:

- (1) The name of the renouncer;
- (2) The name of the estate affected by the renunciation;



- (3) The date of the death of the decedent or donee of the power and the date of renunciation.

A copy of the renunciation shall be delivered in person or mailed by registered or certified mail to any personal representative, or other fiduciary of the decedent or donee of the power. If the property interest renounced includes any proceeds of a life insurance policy being renounced pursuant to G.S. 31B-1(a)(5) the person renouncing shall mail, by registered or certified mail, a copy of the renunciation to the insurance company issuing the policy.

(d) If real property or an interest therein is renounced, a copy of the renunciation shall also be filed for recording in the office of the register of deeds of all counties wherein any part of the interest renounced is situated. The renunciation shall be indexed in the grantor's index under (i) the name of the deceased owner or donee of the power, and (ii) the name of the person renouncing. The renunciation of an interest, or a part thereof, in real property shall not be effective to renounce such interest until a copy of the renunciation is filed for recording in the office of the register of deeds in the county wherein such interest or part thereof is situated. (1975, c. 371, s. 1.)

**§ 31B-3. Effect of renunciation.** — Unless the decedent or donee of the power has otherwise provided in the instrument creating the interest, the property or interest renounced devolves as if the renouncer had predeceased the decedent or, if the renouncer is designated to take under a power of appointment exercised by a testamentary instrument, as if the renouncer had predeceased the donee of the power. A future interest that takes effect in possession or enjoyment after the termination of the estate or interest renounced takes effect as if the renouncer had predeceased the decedent or the donee of the power. A renunciation relates back for all purposes to the date of the death of the decedent or the donee of the power. (1975, c. 371, s. 1.)

**§ 31B-4. Waiver and bar.** — (a) The right to renounce property or an interest therein is barred by

- (1) An assignment, conveyance, encumbrance, pledge, or transfer of the property or interest, or a contract therefor by the person authorized to renounce,
- (2) A written waiver of the right to renounce,
- (3) An acceptance of the property or interest or benefit thereunder, or
- (4) A sale of the property or interest under judicial sale made before the renunciation is effected.

(b) The renunciation or the written waiver of the right to renounce is binding upon the renouncer or person waiving and all persons claiming through or under him. (1975, c. 371, s. 1.)

**§ 31B-5. Exclusiveness of remedy.** — This Chapter does not abridge the right of a person to waive, release, disclaim or renounce property or an interest therein under any other statute or as otherwise provided by law. (1975, c. 371, s. 1.)

**§ 31B-6. Application of Chapter.** — A present interest in property existing on October 1, 1975, as to which the time for filing a renunciation under this Chapter has not expired may be renounced within six months after October 1, 1975. A future interest in property existing on October 1, 1975, as to which the time for filing a renunciation under this Chapter has not expired may be renounced within six months after October 1, 1975, or within six months after the future interest has become indefeasibly vested and the taker is entitled to possession, whichever is later. (1975, c. 371, s. 1.)



**§ 31B-7. Short title.** — This Chapter may be cited as the Renunciation of Transfers by Will, Intestacy, Appointment or Insurance Contract Act. (1975, c. 371, s. 1.)

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## Chapter 32.

## Fiduciaries.

## Article 2.

## Security Transfers.

Sec.

32-17. Evidence of appointment or incumbency.

## Article 3.

## Powers of Fiduciaries.

32-27. Powers which may be incorporated by reference in trust instrument.

Sec.

32-28. Appointment of ancillary trustee.  
32-29 to 32-33. [Reserved.]

## Article 4.

## Restrictions on Exercise of Power for Fiduciary's Benefit.

32-34. Restriction on exercise of power for fiduciary's benefit.

## ARTICLE 1.

*Uniform Fiduciaries Act.*

## § 32-2. Definition of terms.

**Editor's Note. —**

For article on constructive trusts in North Carolina, see 45 N.C.L. Rev. 424 (1967).

**"Fiduciary Relationship".** — A fiduciary relationship exists where there has been a special confidence reposed in one who in equity and good conscience is bound to act in good faith and in due regard to the one reposing confidence. *Moore v. Bryson*, 11 N.C. App. 260, 181 S.E.2d 113 (1971).

It is not necessary that there be a technical or legal relationship for a fiduciary relationship to exist. *Moore v. Bryson*, 11 N.C. App. 260, 181 S.E.2d 113 (1971).

If as an executor, as a cotenant or simply as an individual, a person undertook to manage and generally control a tract of land for the benefit of his co-owners, causing them to repose special faith, confidence and trust in him to represent their best interest with respect to the property, he occupied a fiduciary relationship to them. *Moore v. Bryson*, 11 N.C. App. 260, 181 S.E.2d 113 (1971).

While a fiduciary relationship ordinarily does not arise between tenants in common from the

simple fact of their cotenancy, such a relationship may be created by their conduct, as where one cotenant assumes to act for the benefit of his cotenants. *Moore v. Bryson*, 11 N.C. App. 260, 181 S.E.2d 113 (1971).

**Fiduciaries must act in good faith.** They can never paramount their personal interest over the interest of those for whom they have assumed to act. *Moore v. Bryson*, 11 N.C. App. 260, 181 S.E.2d 113 (1971).

**Interests May Not Conflict.** — A person occupying a place of trust and confidence may not place himself in a position where his own interest may conflict with the interest of those for whom he acts. *Moore v. Bryson*, 11 N.C. App. 260, 181 S.E.2d 113 (1971).

**A fiduciary who acquires an outstanding title adverse to his cestuis que trustent** is considered in equity as having acquired it for their benefit. *Moore v. Bryson*, 11 N.C. App. 260, 181 S.E.2d 113 (1971).

**An executor acts in a fiduciary capacity.** *Moore v. Bryson*, 11 N.C. App. 260, 181 S.E.2d 113 (1971).

## ARTICLE 2.

*Security Transfers.*

**§ 32-17. Evidence of appointment or incumbency.** — A corporation or transfer agent making a transfer pursuant to an assignment by a fiduciary who is not the registered owner shall obtain the following evidence of appointment or incumbency:

- (1) In the case of a fiduciary appointed or qualified by a court, a certificate issued by or under the direction or supervision of that court or an officer thereof and dated within 60 days before the transfer; or
- (2) In any other case, a copy of a document showing the appointment or certificate issued by or on behalf of a person reasonably believed by the corporation or transfer agent to be responsible or, in the absence



of such a document or certificate, other evidence reasonably deemed by the corporation or transfer agent to be appropriate. Corporations and transfer agents may adopt standards with respect to evidence of appointment or incumbency under this subdivision (2) provided such standards are not manifestly unreasonable. Neither the corporation nor transfer agent is charged with notice of the contents of any document obtained pursuant to this subdivision (2) except to the extent that the contents relate directly to the appointment or incumbency. (1959, c. 1246, s. 4; 1971, c. 528, s. 30.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, corrected the spelling of the word "document" near the beginning of subdivision (2).

### ARTICLE 3.

#### *Powers of Fiduciaries.*

#### § 32-25. Definitions.

**Editor's Note.** — For note on "The North Carolina Fiduciary Powers Act and the Duty of Loyalty," see 45 N.C.L. Rev. 1141 (1967).

#### § 32-26. Incorporation by reference of powers enumerated in § 32-27; restriction on exercise of such powers.

**Applied in** *Perry v. United States*, 376 F. Supp. 15 (E.D.N.C. 1974).

#### § 32-27. Powers which may be incorporated by reference in trust instrument. — The following powers may be incorporated by reference as provided in G.S. 32-26:

- (5) **Continue Business.** — To the extent and upon such terms and conditions and for such periods of time as the fiduciary shall deem necessary or advisable, to continue or participate in the operation of any business or other enterprise, whatever its form of organization, including but not limited to the power:
  - a. To effect incorporation, dissolution, or other change in the form of the organization of the business or enterprise;
  - b. To dispose of any interest therein or acquire the interest of others therein;
  - c. To contribute thereto or invest therein additional capital or to lend money thereto, in any such case upon such terms and conditions as the fiduciary shall approve from time to time;
  - d. To determine whether the liabilities incurred in the conduct of the business are to be chargeable solely to the part of the estate or trust set aside for use in the business or to the estate or trust as a whole; and
  - e. In all cases in which the fiduciary is required to file accounts in any court or in any other public office, it shall not be necessary to itemize receipts and disbursements and distributions of property but it shall be sufficient for the fiduciary to show in the account a single figure or consolidation of figures, and the fiduciary shall be permitted to account for money and property received from the business and any payments made to the business in lump sum without itemization.



- (29) Apportion and Allocate Receipts and Expenses. — Where not otherwise provided by the Uniform Principal and Income Act, as contained in Chapter 37 of the General Statutes, to determine:
- What is principal and what is income of any estate or trust and to allocate or apportion receipts and expenses as between principal and income in the exercise of the fiduciary's discretion, and, by way of illustration and not limitation of the fiduciary's discretion, to charge premiums on securities purchased at a premium against principal or income or partly against each;
  - Whether to apply stock dividends and other noncash dividends to income or principal or apportion them as the fiduciary shall deem advisable; and
  - What expenses, costs, taxes (other than estate, inheritance, and succession taxes and other governmental charges) shall be charged against principal or income or apportioned between principal and income and in what proportions.
- (31) The foregoing powers shall be limited as follows for any trust which shall be classified as a "private foundation" as that term is defined by section 509 of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws (including each nonexempt charitable trust described in section 4947(a)(1) of the code which is treated as a private foundation) or nonexempt split-interest trust described in section 4947(a)(2) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws (but only to the extent that section 508(e) of the code is applicable to such nonexempt split-interest trust under section 4947(a)(2)):
- The fiduciary shall make distributions of such amounts, for each taxable year, at such time and in such manner as not to become subject to the tax imposed by section 4942 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.
  - No fiduciary shall engage in any act of self-dealing as defined in section 4941(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.
  - No fiduciary shall retain any excess business holdings as defined in section 4943(c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.
  - No fiduciary shall make any investments in such manner as to subject the trust to tax under section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.
  - No fiduciary shall make any taxable expenditures as defined in section 4945(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws. (1965, c. 628, s. 1; 1967, c. 24, s. 15; c. 956; 1971, c. 1136, s. 3.)

**Editor's Note.** — Session Laws 1967, c. 24, originally effective Oct. 1, 1967, substituted, in paragraph (c) of subdivision (5), "contribute thereto or invest therein additional capital" for "contribute or invest additional capital thereto." Session Laws 1967, c. 1078, amends c. 24 of the amendatory act so as to make it effective July 1, 1967.

Session Laws 1967, c. 956, effective Oct. 1, 1967, inserted "Where not otherwise provided by

the Uniform Principal and Income Act, as contained in Chapter 37 of the General Statutes," at the beginning of subdivision (29).

Session Laws 1971, c. 1136, s. 3, added subdivision (31).

As the rest of the section was not changed by the amendments, only the opening paragraph and subdivisions (5), (29) and (31) are set out.

**Quoted in** *Perry v. United States*, 376 F. Supp. 15 (E.D.N.C. 1974).



**§ 32-28. Appointment of ancillary trustee.** — In the event that any property in which a legal or beneficial interest is or may become a part of the assets of a trust whether by purchase, foreclosure, testamentary disposition, transfer inter vivos or in any other manner, in a state or states other than the State of North Carolina or in the District of Columbia or any possession of the United States, the North Carolina trustee is empowered to name an individual or corporate trustee qualified to act in any such other jurisdiction in connection with the property situated therein as ancillary trustee of such property and require such security as may be designated by the North Carolina trustee. The ancillary trustee so appointed shall have all rights, powers, discretions, responsibilities and duties as are delegated to it by the North Carolina trustee, within the limits of the authority possessed by the North Carolina trustee, but shall exercise and discharge the same subject to such limitations or directions of the North Carolina trustee as shall be specified in the instrument evidencing the appointment. The ancillary trustee shall be answerable to the North Carolina trustee for all moneys, assets or other property entrusted to it or received by it in connection with the administration of the trust. The North Carolina trustee may remove such ancillary trustee and may or may not appoint a successor at any time or from time to time as to any or all of the assets. Provided, however, that if the ancillary trustee is to be appointed in any jurisdiction that requires any kind of procedure or judicial order for the appointment of such an ancillary trustee or to authorize it to act, the North Carolina trustee and the ancillary trustee must conform to all such requirements. (1973, c. 186.)

§§ 32-29 to 32-33: Reserved for future codification purposes.

#### ARTICLE 4.

##### *Restrictions on Exercise of Power for Fiduciary's Benefit.*

**§ 32-34. Restriction on exercise of power for fiduciary's benefit.** — (a) Except as provided in subsection (b), a power conferred upon a person in his capacity as fiduciary to make discretionary distributions of principal or income to himself or to make discretionary allocations in his own favor of receipts or expenses as between income and principal cannot be exercised by him. If the power is conferred on two or more fiduciaries, it may be exercised by the fiduciaries who are not so disqualified. If there is no fiduciary qualified to exercise the power, it may be exercised by a special fiduciary appointed by the court. This section shall apply to all trusts now in existence and to all other trusts that shall come into existence after July 1, 1975.

(b) This section shall not apply to:

- (1) Trusts now in existence in which the fiduciary is also the creator of the trust and is living; or
- (2) Trusts that shall come into existence after July 1, 1975, in which the fiduciary is also the creator of the trust, is living, and the trust instrument shows a clear intent that this section shall not apply. (1975, c. 135, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 135, s. 2, makes the act effective July 1, 1975.



## Chapter 33. Guardian and Ward.

### Article 1.

#### Creation and Termination of Guardianship.

Sec.

33-2. Appointment by parents; effect; powers and duties of guardian.

### Article 2.

#### Guardian's Bond.

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33-50, 33-51. [Repealed.]

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33-76. Construction.

## ARTICLE 1.

### *Creation and Termination of Guardianship.*

#### § 33-1. Jurisdiction in clerk of superior court.

**"Infant" As One under Age 18.** — See opinion of Attorney General to Mr. Fred P. Parker, Jr., 41 N.C.A.G. 450 (1971).

**The superior court has no power to appoint a general guardian,** in the absence of other matters of which the court has jurisdiction. In re Simmons, 266 N.C. 702, 147 S.E.2d 231 (1966).

**Applied** in Grant v. Banks, 270 N.C. 473, 155 S.E.2d 87 (1967).

**Quoted** in In re Michal, 273 N.C. 504, 160 S.E.2d 495 (1968).

**§ 33-2. Appointment by parents; effect; powers and duties of guardian.** — Any father, though he be a minor, may, by his last will and testament in writing, if the mother be dead, dispose of the custody and tuition of any of his infant children, being unmarried, and whether born at his death or in ventre sa mere for such time as the children may remain under 18 years of age, or for any less time. Or in case the father is dead and has not exercised his said right of appointment, or has wilfully abandoned his wife, then the mother, whether of full age or minor, may do so. Every such appointment shall be good and effectual against any person claiming the custody and tuition of such child or children. Every guardian by will shall have the same powers and rights and be subject to the same liabilities and regulations as other guardians: Provided, however, that in the event it is so specifically directed in said will such guardian so appointed shall be permitted to qualify and serve without giving bond, unless the clerk of the superior court having jurisdiction of said guardianship shall find as a fact and adjudge that the interest of such minor or incompetent would be best served by requiring such guardian to give bond. (1762, c. 69; R. C., c. 54;



1868-9, c. 201; 1881, c. 64; Code, ss. 1562, 1563, 1564; Rev., ss. 1762, 1763, 1764; 1911, c. 120; C. S., s. 2151; Ex. Sess. 1920, c. 21; 1941, c. 26; 1945, c. 73, s. 20; 1947, c. 413, ss. 1, 2; 1971, c. 1231, s. 1.)

**Editor's Note. —**

The 1971 amendment substituted "18" for "twenty-one" in the first sentence.

**§ 33-5. Appointment when father living.**

**Not Authority for Appointment of Guardian of Child for Purposes of School Assignment if Parents Living. —** See opinion of Attorney

General to Honorable Ben G. Floyd, Jr., Clerk of Superior Court, Robeson County, 41 N.C.A.G. 14 (1970).

**§ 33-7. Proceedings on application for guardianship.**

**Quoted in** In re Simmons, 266 N.C. 702, 147 S.E.2d 231 (1966).

**§ 33-9. Removal by clerk.**

**Section 1-276 Is Inapplicable to Removals. —** Appeals under § 1-276 are confined to civil actions and special proceedings. The decisions are plenary that the removal of a guardian is neither. In re Simmons, 266 N.C. 702, 147 S.E.2d 231 (1966).

**Appellate Jurisdiction of Superior Court over Removals Is Derivative. —** In the

appointment and removal of guardians, the appellate jurisdiction of the superior court is derivative, and appeals present for review only errors of law committed by the clerk. In re Simmons, 266 N.C. 702, 147 S.E.2d 231 (1966).

**Stated in** In re Michal, 273 N.C. 504, 160 S.E.2d 495 (1968).

ARTICLE 2.

*Guardian's Bond.*

**§ 33-12. Bond to be given before receiving property. —** No guardian appointed for an infant, idiot, lunatic, insane person or inebriate, shall be permitted to receive property of the infant, idiot, lunatic, insane person or inebriate until he shall have given sufficient security, approved by a judge, or the court, to account for and apply the same under the direction of the court; provided, however, that when a guardian is appointed for an infant, idiot, lunatic, insane person or inebriate for the purpose of bringing an action on behalf of that infant, idiot, lunatic, insane person or inebriate and when there are no other assets in the ward's estate or other assets belonging to the minor in the State of North Carolina, such guardian shall not be required to give sufficient security until such time as the property is turned over to such guardian, at which time the guardian shall give sufficient security approved by a judge or the court to account for and apply the same under the directions of the court. (C. C. P., s. 355; Code, s. 1573; Rev., s. 1777; C. S., s. 2161; 1967, c. 40, s. 1.)

**Editor's Note. —** The 1967 amendment added the proviso. Section 2 of the amendatory act provides: "All laws and clauses of laws in conflict with this act are hereby repealed, except that such laws shall continue in force and effect

with respect to actions already filed by guardians who have obtained bonds before the effective date of this act." The act was ratified March 14, 1967, and made effective on ratification.



### § 33-17. Relief of endangered sureties.

**Successor Guardian and Ward Are Not Bound by Adjudication If Not Parties.** — A determination in a proceeding between the surety and the former guardian is not conclusive as against a successor guardian and the ward,

neither of whom was a party to that proceeding when the adjudication was made. *State ex rel. Northwestern Bank v. Fidelity & Cas. Co.*, 268 N.C. 234, 150 S.E.2d 396 (1966).

## ARTICLE 3.

### *Powers and Duties of Guardian.*

### § 33-20. Guardian to take charge of estate.

**Guardian Must Preserve Estate and Enforce Ward's Rights.** — It is the duty of the guardian to preserve the estate of the ward and to take practicable action to enforce the ward's rights against others. *Kuykendall v. Proctor*, 270 N.C. 510, 155 S.E.2d 293 (1967).

**He Must Diligently Collect Obligation Owing Ward.** — It is the duty of a guardian of the estate of an incompetent person to exercise due diligence in the collection of an obligation owing to the ward. The guardian is liable to the ward's estate for any loss to it by his failure to do so. *Kuykendall v. Proctor*, 270 N.C. 510, 155 S.E.2d 293 (1967).

**Including Damages for Wrongs Done Ward.** — It is the duty of the guardian of the estate of an incompetent to collect, insofar as practicable, all moneys due the ward, including damages for wrongs done to the ward which are known to the guardian. *Kuykendall v. Proctor*, 270 N.C. 510, 155 S.E.2d 293 (1967).

**He Is Liable for All He Ought to Have Received.** — A guardian is liable not only for what he receives, but for all he ought to have received of his ward's estate. *Kuykendall v. Proctor*, 270 N.C. 510, 155 S.E.2d 293 (1967).

**§ 33-25. Guardians and other fiduciaries authorized to buy real estate foreclosed under mortgages executed to them.** — On application of the guardian or other fiduciary of any idiot, inebriate, lunatic, non compos mentis or any person incompetent from want of understanding to manage his own affairs for any cause or reason, or any minor or infant, or any other person for whom such guardian or fiduciary has been appointed, by petition, verified upon oath, to the superior court, showing that the purchase of real estate is necessary to avoid a loss to the said ward's estate by reason of the inadequacy of the amount bid at foreclosure sale under a mortgage or deed of trust securing the repayment of funds previously loaned the mortgagor by said guardian or other fiduciary, and that the interest of the ward would be materially promoted by said purchase, the proceeding shall be conducted as in other cases of special proceedings; and the truth of the matter alleged in the petition being ascertained by satisfactory proof, or by affidavit of three disinterested freeholders over 18 years of age who reside in the county in which said land lies, a decree may thereupon be made that said real estate be purchased by such person; but no purchase of real estate shall be made until approved by a judge of the superior court, nor shall the same be valid, nor any conveyance of the title made, unless confirmed and directed by a judge, and then only in compliance with the terms and conditions set out in said order and judgment. (1935, c. 156; 1971, c. 1231, s. 1.)

**Editor's Note.** — The 1971 amendment substituted "18" for "twenty-one" near the middle of the section.



## ARTICLE 4.

*Sales of Ward's Estate.*

§ 33-31. **Special proceedings to sell; judge's approval required.** — On application of the guardian or ancillary guardian appointed pursuant to G.S. 33-31.2, or by guardian ad litem, next friend or commissioner of the court acting pursuant to this Article, by petition, verified upon oath, to the superior court, showing that the interest of the ward would be materially promoted by the sale or mortgage of any part of his estate, real or personal, proceeding shall be conducted as in other cases of special proceedings; and the truth of the matter alleged in the petition being ascertained by satisfactory proof, a decree may thereupon be made that a sale or mortgage be had by such person, in such way and on such terms as may be most advantageous to the interest of the ward; all petitions filed under the authority of this section wherein an order is sought for the sale or mortgage of the ward's real estate or both real and personal property shall be filed in the superior court of the county in which all or any part of the real estate is situated; if the order of sale demanded in the petition is for the sale or mortgage of the ward's personal estate, the petition may be filed in the superior court of the county in which any or all of such personal estate is situated; no mortgage shall be made until approved by the judge of the court, nor shall the same be valid, nor any conveyance of the title made, unless confirmed and directed by the judge, and the proceeds of the sale or mortgage shall be exclusively applied and secured to such purposes and on such trusts as the judge shall specify, provided that on and after June 1, 1973, no sales of property belonging to minors or incompetents prior to that date by next friend, guardian ad litem, or commissioner of the court regular in all other respects shall be declared invalid nor shall any claim or defense be asserted on the grounds that said sale was not made by a duly appointed guardian as provided herein or on the grounds that said minor or incompetent was not represented by a duly appointed guardian. The guardian may not mortgage the property of his ward for a term of years in excess of the term fixed by the court in its decree. The word "mortgage" whenever used herein shall be construed to include deeds in trust. The word "guardian" whenever used herein shall be construed to include next friend, guardian ad litem, or commissioner of the court acting pursuant to this Article. Nothing herein contained shall be construed to divest the court of the power to order private sales as heretofore ordered in proper cases. The procedure for a sale pursuant to this section shall be provided by Article 29A of Chapter 1 of the General Statutes. (1827, c. 33; R. C., c. 54, ss. 32, 33; 1868-9, c. 201, s. 39; Code, s. 1602; Rev., s. 1798; 1917, c. 258, s. 1; C. S., s. 2180; 1923, c. 67, s. 1; 1945, c. 426, s. 1; c. 1084, s. 1; 1949, c. 719, s. 2; 1951, c. 366, s. 2; 1967, c. 1084; 1973, c. 741.)

**Editor's Note. —**

The 1967 amendment added the proviso at the end of the first sentence and inserted the present fourth sentence.

The 1973 amendment, effective June 1, 1973, inserted, near the beginning of the first sentence, "or by guardian ad litem, next friend or commissioner of the court acting pursuant to this Article" and substituted, near the end of the first sentence, "June 1, 1973" for "January 1, 1968" and "that date" for "July 3, 1967."

**Same — Clerk. —**

A clerk of the superior court has no jurisdiction with respect to infants or with respect to property, real or personal, of infants,

except such as is conferred by statute. *Wilson v. Pemberton*, 266 N.C. 782, 147 S.E.2d 217 (1966).

**Order of Sale, etc. —**

The power of a guardian to make disposition of his ward's estate is very carefully regulated, and the sale is not allowed except by order of court, which order must have the supervision, approval and confirmation of the resident judge of the district or the judge regularly holding the courts of the district. *Pike v. Wachovia Bank & Trust Co.*, 274 N.C. 1, 161 S.E.2d 453 (1968).

**No Liability on Implied Warranty of Authority.** — A guardian who contracts to convey the property of his ward is not liable on



an implied warranty of authority. *Pike v. Wachovia Bank & Trust Co.*, 274 N.C. 1, 161 S.E.2d 453 (1968).

**§ 33-32. Fund from sale has character of estate sold and subject to same trusts.**

**Proceeds Descend as Realty on Death of Lunatic.** — The general rule is that where the real estate of a lunatic is sold under a statute or by order of court, the proceeds of sale remain

realty for the purpose of devolution on his death intestate while still a lunatic. *Grant v. Banks*, 270 N.C. 473, 155 S.E.2d 87 (1967), commented on in 46 N.C.L. Rev. 687 (1968).

ARTICLE 5.

*Returns and Accounting.*

**§ 33-39. Annual accounts.**

**Opinions of Attorney General.** — Honorable Lanie M. Hayes, Clerk of Superior Court, Warren County, 40 N.C.A.G. 32 (1969).

**§ 33-41. Final account.**

**Opinions of Attorney General.** — Honorable Lanie M. Hayes, Clerk of Superior Court, Warren County, 40 N.C.A.G. 32 (1969).

**Coming of Age Occurs at Age 18.** — See opinion of Attorney General to Mr. Fred P. Parker, Jr., 41 N.C.A.G. 450 (1971).

**§ 33-42. Expenses and disbursements credited to guardian.**

**Cited in State ex rel. Northwestern Bank v. Fidelity & Cas. Co.**, 268 N.C. 234, 150 S.E.2d 396 (1966).

**§ 33-42.1. Guardian to exhibit investments and bank statements.** — At the time the accounts required by this Article and other provisions of law are filed, the clerk of the superior court shall require the guardian to exhibit to the court all investments and bank statements showing cash balance, and the clerk of the superior court shall certify on the original account that an examination was made of all investments and the cash balance, and that the same are correctly stated in the account: Provided, such examination may be made by the clerk of the superior court of the county in which such guardian resides or the county in which such securities are located and, when the guardian is a duly authorized bank or trust company, such examination may be made by the clerk of the superior court of the county in which such bank or trust company has its principal office or in which such securities are located; the certificate of the clerk of the superior court of such county shall be accepted by the clerk of the superior court of any county in which such guardian is required to file an account; provided that banks, organized under the laws of North Carolina or the acts of Congress, engaged in doing a trust and fiduciary business in this State, when acting as guardian, or in other fiduciary capacity, shall be exempt from the requirements of this section, when a certificate executed by a trust examiner employed by a governmental unit, by a bank's internal auditors who are responsible only to the bank's board of directors or by an independent certified public accountant who is responsible only to the bank's board of directors is



exhibited to the clerk of the superior court and when said certificate shows that the securities have been examined within one year and that the securities were held at the time of the examination by the fiduciary or by a clearing corporation for the fiduciary and that the person making such certification has no reason to believe said securities are not still so held. Nothing herein contained shall be construed to abridge the inherent right of the clerk of the superior court to require the production of securities, should he desire to do so. (1947, c. 596; 1961, cc. 292, 1066; 1973, c. 497, s. 5; 1975, c. 637, s. 3.)

**Editor's Note.** — The 1973 amendment inserted, near the end of the section, "by a bank's internal auditors who are responsible only to the bank's board of directors or by an independent certified public accountant who is responsible only to the bank's board of directors" and "that the securities are held by the fiduciary or by a clearing corporation for the fiduciary and when said certificate shows." The amendment also inserted "or for" preceding "the fiduciary," in language eliminated by the 1975 amendment.

The 1975 amendment substituted, at the end of the first sentence, the language beginning "the securities have been examined" for "the securities are held by the fiduciary or by a clearing corporation for the fiduciary and when said certificate shows that the securities held by or for the fiduciary have been examined within one year." The amendment also added the second sentence.

## ARTICLE 8.

### *Estates without Guardian.*

§§ 33-50, 33-51: Repealed by Session Laws 1967, c. 218, s. 4.

## ARTICLE 12.

### *Gifts of Securities and Money to Minors.*

§ 33-68. **Definitions.** — In this Article, unless the context otherwise requires:

- (1) An "adult" is a person who has attained the age of 18 years.
- (2) A "bank" is a bank, savings and loan association, building and loan association, federal savings and loan association, trust company, national banking association, savings bank, industrial bank, and State and federally chartered credit unions whose deposits are insured by either Federal Share Insurance or the North Carolina Savings Guaranty Corporation.
- (12) A "minor" is a person who has not attained the age of 18 years. (1971, c. 1231, s. 1; 1973, c. 145.)

**Editor's Note.** —

The 1971 amendment substituted "18" for "twenty-one" in subdivisions (1) and (12).

The 1973 amendment added to subdivision (2) the language beginning "and State and federally chartered credit unions."

As the rest of the section was not changed by the amendments, only the introductory language and subdivisions (1), (2) and (12) are set out.

§ 33-69.1. **Gifts by will.** — (a) Subject to the provisions of this section, any person authorized by G.S. 31-1 to make a will may make a gift by will of a security, money, or life insurance to a person who is a minor at the time the will takes effect.

(b) The will must contain an expressed intention of the donor to make a gift to a minor named therein pursuant to the North Carolina Uniform Gifts to Minors Act and must, by appropriate reference, incorporate in said will all of



the provisions of the North Carolina Uniform Gifts to Minors Act as they exist at the time of the signing of the will by donor.

(c) The custodian must be designated in donor's will and must be an adult member of the minor's family, a guardian of the minor, an attorney-at-law, or a trust company. An alternate custodian may be named in the will to serve in the event the custodian first named predeceases the testator or refuses to accept the appointment as custodian. If the donor designates an ineligible person as custodian, or if the person designated renounces, resigns, becomes incapacitated, dies, or for any other reason fails to act or ceases to serve as custodian before the minor attains the age of 18 years, the guardian of the minor shall be successor custodian. If the minor has no guardian, the successor custodian shall be appointed by the court upon its own motion or upon petition as provided in G.S. 33-74. A successor custodian shall have all the rights, powers, duties and immunities of a custodian designated in a manner prescribed in this Article.

(d) The custodian shall give bond to secure the amount by which the fair market value of any gift made by one donor exceeds ten thousand dollars (\$10,000.00) per donee. Gifts other than money shall be valued in accordance with the values as finally determined for federal estate tax purposes for the estate of donor or, if no federal estate tax return is filed for donor's estate, in accordance with the values as finally determined for North Carolina inheritance tax purposes for the estate of donor, or if no such determination is made, the fair market value at the date of the donor's death. The valuation so made shall be conclusive for purposes of this subsection.

(e) If the donor by will attempts to make a gift pursuant to this section to a donee who is not a minor at the time the gift takes effect, the gift shall not be void but shall take effect as to the full amount of the gift. The personal representative of the donor's estate shall cause the subject of the gift to be delivered to the donee as in the case of other legacies or bequests.

(f) (1) If the subject of the gift is a security in registered form, the personal representative of donor's estate shall cause the security to be registered in the name of the custodian designated in donor's will or in the name of a successor custodian, followed, in substance, by the words: "as custodian for ..... under the North Carolina  
(name of minor)  
Uniform Gifts to Minors Act."

(2) If the subject of the gift is a security not in registered form, the personal representative of donor's estate shall cause the subject of the gift to be delivered to the person designated as custodian in donor's will or to a successor custodian, accompanied by a statement of gift in the following form, in substance, signed by the personal representative of donor's estate and the person designated as custodian or who is serving as successor custodian:

GIFT UNDER THE NORTH CAROLINA UNIFORM  
GIFTS TO MINORS ACT

I, ....., personal representative of the estate  
(name of personal representative)  
of ....., deceased, hereby deliver to .....  
(name of custodian)  
as custodian for ....., under the North Carolina  
(name of minor)



Uniform Gifts to Minors Act, the following security(ies):  
(Insert an appropriate description of the security or securities delivered sufficient to identify it or them).

Dated this . . . . . day of . . . . ., 19 . . . . .

.....

(signature of personal representative of donor's estate)

..... hereby acknowledges receipt of the above

(name of custodian)

described security(ies) as custodian for the above minor under the North Carolina Uniform Gifts to Minors Act.

Dated this . . . . . day of . . . . ., 19 . . . . .

.....

(signature of custodian or successor custodian)

- (3) If the subject of the gift is money, the personal representative of donor's estate shall pay or deliver it to the custodian designated in donor's will or to a successor custodian accompanied by a statement of gift, in the following form, signed by the personal representative of donor's estate and the person designated as custodian or who is serving as successor custodian:

GIFT UNDER THE NORTH CAROLINA UNIFORM  
GIFTS TO MINORS ACT

I, . . . . ., personal representative

(name of personal representative)

of the estate of . . . . ., deceased, hereby deliver to

..... as custodian for . . . . .,

(name of custodian)

(name of minor)

under . . . . ., under the North Carolina Uniform Gifts to Minors Act, the sum of \$ . . . . .

Dated this . . . . . day of . . . . ., 19 . . . . .

.....

(signature of personal representative of donor's estate)

..... hereby acknowledges receipt of the sum of

(name of custodian)

\$ . . . . . as custodian for the above minor under the North Carolina Uniform Gifts to Minors Act.

Dated this . . . . . day of . . . . ., 19 . . . . .

.....

(signature of custodian or successor custodian)

- (4) If the subject of the gift is life insurance, the personal representative of donor's estate shall cause the ownership of the policy to be registered in the name of the person designated in donor's will as custodian or in the name of the successor custodian, followed, in substance, by the words: "as custodian for . . . . . under the North Carolina  
(name of minor)

Uniform Gifts to Minors Act," and such policy of life insurance shall be delivered to the person in whose name it is thus registered as custodian or successor custodian.

(g) The personal representative of donor's estate shall promptly do all things within his power to put the subject of the gift in the possession and control of the custodian designated in donor's will, but neither the failure of said personal representative to comply with this subsection, nor the designation of an



ineligible person as custodian nor renunciation by the person designated as custodian shall affect the consummation of the gift.

(h) The receipt of the custodian or successor custodian for the subject of the gift shall constitute a full acquittance of the donor's personal representative with respect to the property so delivered.

(i) A will may contain any number of gifts under the provisions of this section, but any one gift may be made to only one minor and only one person may be custodian of that gift. For the purposes of this section, all gifts to a single donee by a single donor shall be to the same custodian and shall be treated as a single gift.

(j) The custodian or successor custodian shall not be deemed to be a testamentary trustee, but shall hold, manage, administer, and dispose of the custodial property pursuant to the provisions of this Article. (1971, c. 247, s. 1; c. 844; 1973, c. 1446, s. 18.)

**Editor's Note.** — Section 3, c. 247, Session Laws 1971, makes the act effective Oct. 1, 1971.

The 1971 amendment, effective Oct. 1, 1971, added the second sentence of subsection (c).

The 1973 amendment substituted "18 years"

for "21 years" in the third sentence of subsection (c).

Under § 33-68 (1) and (12), the age of majority has been changed from 21 to 18.

## § 33-70. Effect of gift.

**Statute Determines Terms of Transfer.** — By appointing himself as custodian the donor is deemed to have adopted the provisions of the Uniform Gifts to Minors Act as the terms of his conveyance and transfer. *Korschun v. Clayton*, 13 N.C. App. 273, 185 S.E.2d 417 (1971).

**Gift Is Transfer.** — A gift made under the provisions of the Uniform Gifts to Minors Act is a "transfer" within the meaning of § 105-2. *Korschun v. Clayton*, 13 N.C. App. 273, 185 S.E.2d 417 (1971).

**Custodianship Similar to Trusteeship.** — Though the purpose of the enactment of the Uniform Gifts to Minors Act was to avoid the necessity of a complex trust agreement, the result is the same whether a donor transfers property to himself as custodian and retains powers by statute, or whether a settlor names himself as trustee of stocks and money for his minor children in an irrevocable trust in which the rights of the children are vested, but settlor reserves the right to terminate it and deliver the assets of the trust to the children. *Korschun v. Clayton*, 13 N.C. App. 273, 185 S.E.2d 417 (1971).

**Self-Appointed Custodian of Minor Subject to Inheritance Tax.** — The value of property which is the subject of a gift to the donor's unemancipated minor child under the Uniform

Gifts to Minors Act is includable in the gross estate of the donor for State inheritance tax purposes where the donor appoints himself as custodian of the property and dies while serving in that capacity before the minor donee attains his majority. *Korschun v. Clayton*, 13 N.C. App. 273, 185 S.E.2d 417 (1971).

**Whether or Not He Exercised Reserved Rights.** — Where the donor makes the gift to himself as custodian under the Uniform Gifts to Minors Act and dies prior to the donee's reaching age 21, the determinative factors requiring inclusion of the value of a gift in decedent donor's taxable estate are the rights reserved to the donor. These rights existed at the time of the transfer, and continued to be possessed by donor until the time of his death. Whether the rights are ever exercised is of no consequence. *Korschun v. Clayton*, 13 N.C. App. 273, 185 S.E.2d 417 (1971).

**Tax Avoided by Appointment of Third Person as Custodian.** — If a parent donor wishes to avoid inheritance tax on a transfer under the Uniform Gifts to Minors Act he need only choose as custodian one of those persons or corporations allowed by the Act other than himself. *Korschun v. Clayton*, 13 N.C. App. 273, 185 S.E.2d 417 (1971).



**§ 33-71. Duties and powers of custodian.**

(b) The custodian shall pay over to the minor for expenditure by him, or expend for the minor's benefit, so much of or all the custodial property as the custodian deems advisable for the support, maintenance, education and benefit of the minor in the manner, at the time or times, and to the extent that the custodian in his discretion deems suitable and proper, with or without court order, with or without regard to the duty of himself or of any other person to support the minor or his ability to do so, and with or without regard to any other income or property of the minor which may be applicable or available for any such purpose.

(d) To the extent that the custodial property is not so expended, the custodian shall deliver or pay it over to the minor on his attaining the age of 18 years or, if the minor dies before attaining the age of 18 years, he shall thereupon deliver or pay it over to the estate of the minor.

(1971, c. 1231, s. 1.)

**Editor's Note. —**

The 1971 amendment substituted "18" for "twenty-one" twice in subsection (d).

Subsection (b) is set out in this Supplement to correct a typographical error appearing in the replacement volume.

As the rest of the section was not changed by the amendment or subject to correction, only subsections (b) and (d) are set out.

**Stated in** *Korschun v. Clayton*, 13 N.C. App. 273, 185 S.E.2d 417 (1971).

**§ 33-74. Resignation, death or removal of custodian; bond; appointment of successor custodian.**

(d) If the person designated as custodian is not eligible, renounces or dies before the minor attains the age of 18 years, the guardian of the minor shall be successor custodian. If the minor has no guardian, a donor, his legal representative, the legal representative of the custodian, an adult member of the minor's family, or the minor, if he has attained the age of 14 years, may petition the court for the designation of a successor custodian.

(1971, c. 1231, s. 1.)

**Editor's Note. —** The 1971 amendment substituted "18" for "twenty-one" in the first sentence of subsection (d).

As the rest of the section was not changed by the amendment, only subsection (d) is set out.

**§ 33-75. Accounting by custodian.**

**Stated in** *Korschun v. Clayton*, 13 N.C. App. 273, 185 S.E.2d 417 (1971).

**§ 33-76. Construction.**

(b) This Article provides an alternative method for making inter vivos or testamentary gifts to minors and shall not be construed as providing an exclusive method. (1959, c. 1166, s. 1; 1971, c. 247, s. 1.1.)

**Editor's Note. —** The 1971 amendment, effective Oct. 1, 1971, inserted "provides an alternative method for making inter vivos or testamentary gifts to minors and" in subsection (b).

As subsection (a) was not affected by the amendment, it was not set out.



## Chapter 34.

## Veterans' Guardianship Act.

Sec.

34-4. Guardian may not be named for more than five wards; exceptions; banks and trust companies, public guardians, or where wards are members of same family.

34-10. Guardian's accounts to be filed; hearing on accounts.

Sec.

34-12. Compensation at five percent; additional compensation; premiums on bonds.

34-13. Investment of funds.

34-14. Application of ward's estate.

34-15. Certified copy of record required by Bureau to be furnished without charge.

**§ 34-4. Guardian may not be named for more than five wards; exceptions; banks and trust companies, public guardians, or where wards are members of same family.** — It shall be unlawful for any person, other than a public guardian qualified under article 6, chapter 33, General Statutes of North Carolina, to accept appointment as guardian of any United States Veterans Administration ward, if such person shall at the time of such appointment be acting as guardian for five wards. For the purpose of this section, all minors of same family unit shall constitute one ward. In all appointments of a public guardian for United States Veterans Administration wards, the guardian shall furnish a separate bond for each appointment as required by G.S. 34-9. If, in any case, an attorney for the United States Veterans Administration presents a petition under this section alleging that an individual guardian other than a public guardian is acting in a fiduciary capacity for more than five wards and requesting discharge of the guardian for that reason, then the court, upon satisfactory evidence that the individual guardian is acting in a fiduciary capacity for more than five wards, must require a final accounting forthwith from such guardian and shall discharge the guardian in such case. Upon the termination of a public guardian's term of office, he may be permitted to retain any appointments made during his term of office.

This section shall not apply to banks and trust companies licensed to do trust business in North Carolina. (1929, c. 33, s. 4; 1967, c. 564, s. 1.)

**Editor's Note.** — The 1967 amendment, effective July 1, 1967, rewrote this section.

**§ 34-10. Guardian's accounts to be filed; hearing on accounts.** — Every guardian, who shall receive on account of his ward any moneys from the Bureau, shall file with the court annually, on the anniversary date of the appointment, in addition to such other accounts as may be required by the court, a full, true, and accurate account under oath of all moneys so received by him, of all disbursements thereof, and showing the balance thereof in his hands at the date of such account and how invested. A certified copy of each of such accounts filed with the court shall be sent by the guardian to the office of the Bureau having jurisdiction over the area in which such court is located.

At the time such account is filed the clerk of the superior court shall require the guardian to exhibit to the court all investments and bank statements showing cash balance and the clerk of the superior court shall certify on the original account and the certified copy which the guardian sends the Bureau that an examination was made of all investments and cash balance and that same are correctly stated in the account; provided that banks, organized under the laws of North Carolina or the Acts of Congress, engaged in doing a trust and fiduciary business in this State, when acting as guardian, or in other fiduciary capacity, shall be exempt from the requirement of exhibiting such investments and bank statements, and the clerk of the superior court shall not be required to so certify as to the accounts of such banks, except that in addition to the



officer verifying the accounts, there shall be added a certificate of another officer of the bank certifying that all assets referred to in the account are held by the guardian or by a clearing corporation for the guardian. If objections are raised to such an accounting, the court shall fix a time and place for the hearing thereon not less than 15 days nor more than 30 days from the date of filing such objections, and notice shall be given by the court to the aforesaid Bureau office and the Department of Military and Veterans Affairs by mail not less than 15 days prior to the date fixed for the hearing. Notice of such hearing shall also be given to the guardian. (1929, c. 33, s. 10; 1933, c. 262, s. 1; 1945, c. 723, s. 2; 1961, c. 396, s. 2; 1967, c. 564, s. 5; 1973, c. 497, s. 6; c. 620, s. 9.)

**Editor's Note. —**

The 1967 amendment, effective July 1, 1967, substituted "North Carolina Department of Veterans Affairs" for "North Carolina Veterans Commission" near the end of the section.

The first 1973 amendment substituted, near the end of the first sentence of the second paragraph, "officer verifying the accounts" for

"officers verifying the account" and "another officer" for "other officers" and added, at the end of that sentence, "or by a clearing corporation for the guardian."

The second 1973 amendment, effective July 1, 1973, substituted "Department of Military and Veterans Affairs" for "North Carolina Department of Veterans Affairs."

**§ 34-12. Compensation at five percent; additional compensation; premiums on bonds. —** Compensation payable to guardians shall not exceed five percent (5%) of the income of the ward during any year, except that the court may approve compensation in the accounting in an amount not to exceed twenty-five dollars (\$25.00) from an estate where the income for any one year is less than five hundred dollars (\$500.00). In the event of extraordinary services rendered by such guardian the court may, upon petition and after hearing thereon, authorize additional compensation therefor, payable from the estate of the ward. Notice of such petition and hearing shall be given the proper office of the Bureau and the Department of Military and Veterans Affairs in the manner provided in G.S. 34-10. No compensation shall be allowed on the corpus of an estate received from a preceding guardian. The guardian may be allowed from the estate of his ward reasonable premiums paid by him to any corporate surety upon his bond. (1929, c. 33, s. 12; 1945, c. 723, s. 2; 1967, c. 564, ss. 2, 5; 1973, c. 620, s. 9.)

**Editor's Note. —** The 1967 amendment, effective July 1, 1967, added the exception clause to the first sentence and substituted "North Carolina Department of Veterans Affairs" for "North Carolina Veterans Commission" in the third sentence.

The 1973 amendment, effective July 1, 1973, substituted "Department of Military and Veterans Affairs" for "North Carolina Department of Veterans Affairs."

**§ 34-13. Investment of funds. —** Every guardian shall invest the funds of the estate in any of the following securities:

- (1) United States government bonds.
- (2) State of North Carolina bonds issued since the year 1872.
- (3) By loaning the same upon real estate securities in which the guardian has no interest, such loans not to exceed fifty percent (50%) of the actual appraised or assessed value, whichever may be lower, and said loans when made to be evidenced by a note, or notes, or bond, or bonds, under the seal of the borrower and secured by first mortgage or first deed of trust. Said guardian before making such investment on real estate mortgages shall secure a certificate of title from some reputable attorney certifying that the same is first lien on real estate and also setting forth the tax valuation thereof for the current year: Provided,



said guardian may purchase with said funds a home or farm for the sole use of said ward or his dependents upon petition and order of the clerk of superior court, said order to be approved by the resident or presiding judge of the superior court, and provided further that copy of said petition shall be forwarded to said Bureau before consideration thereof by said court. Any guardian may encumber the home or farm so purchased for the entire purchase price or balance thereof to enable the ward to obtain benefits provided in Title 38, U.S. Code, Chapter 37, upon petition to and order of the clerk of superior court of the county of appointment of said guardian and approved by the resident or presiding judge of the superior court. Notice of hearing on such petition, together with copy of the petition, shall be given to the United States Veterans Administration and the Department of Military and Veterans Affairs by mail not less than 15 days prior to the date fixed for the hearing.

- (4) By investing the funds of the estate in a savings account, or savings share account, or optional savings share account, or stock of any federal savings and loan association organized under the laws of the United States and located in the State of North Carolina or of any building or savings and loan association organized and licensed under the laws of this State, to the extent that such investment is insured by the Federal Savings and Loan Insurance Corporation.
- (5) By depositing the funds either in a savings account in any federally insured bank in North Carolina or by purchasing a certificate of deposit issued by any federally insured bank in North Carolina, to the extent that such investment is insured by the Federal Deposit Insurance Corporation.

It shall be the duty of guardians who shall have funds invested other than as provided for in this section to liquidate same within one year from the passage of this law: Provided, however, that upon the approval of the judge of the superior court, either residing in or presiding over the courts of the district, the clerk of the superior court may authorize the guardian to extend from time to time, the time for sale or collection of any such investments; that no extension shall be made to cover a period of more than one year from the time the extension is made.

The clerk of the superior court of any county in the State or any guardian who shall violate any of the provisions of this section shall be guilty of a misdemeanor, punishable by fine or imprisonment or both in the discretion of the court. (1929, c. 33, s. 13; 1933, c. 262, s. 2; 1957, c. 199; 1959, c. 1015, s. 1; 1967, c. 564, ss. 3, 4; 1973, c. 620, s. 9.)

**Editor's Note.** — The 1967 amendment, effective July 1, 1967, added the last two sentences of subdivision (3) and added "to the extent that such investment is insured by the Federal Deposit Insurance Corporation" at the end of subdivision (5).

The 1973 amendment, effective July 1, 1973, substituted "Department of Military and Veterans Affairs" for "North Carolina Department of Veterans Affairs."

**§ 34-14. Application of ward's estate.** — A guardian may apply any income received from the Veterans Administration for the benefit of the ward in the same manner and to the same extent as other income of the estate without the necessity of securing an order of court. A guardian shall not apply any portion of the estate of his ward for the support and maintenance of any person other than his ward, except upon order of the court after a hearing, notice of which has been given the proper officer of the Bureau and the Department of Military



and Veterans Affairs in the manner provided in G.S. 34-10. (1929, c. 33, s. 14; 1945, c. 723, s. 2; 1961, c. 396, s. 3; 1967, c. 564, s. 5; 1973, c. 620, s. 9.)

**Editor's Note.** — The 1967 amendment, effective July 1, 1967, substituted "North Carolina Department of Veterans Affairs" for "North Carolina Veterans Commission" near the end of the section.

The 1973 amendment, effective July 1, 1973, substituted "Department of Military and Veterans Affairs" for "North Carolina Department of Veterans Affairs."

**§ 34-15. Certified copy of record required by Bureau to be furnished without charge.** — Whenever a copy of any public record is required by the Bureau or the Department of Military and Veterans Affairs to be used in determining the eligibility of any person to participate in benefits made available by such Bureau, the official charged with the custody of such public record shall without charge provide the applicant for such benefits or any person acting on his behalf or the representative of such Bureau or the Department of Military and Veterans Affairs with a certified copy of such record. (1929, c. 33, s. 15; 1945, c. 723, s. 2; 1967, c. 564, s. 5; 1973, c. 620, s. 9.)

**Editor's Note.** — The 1967 amendment, effective July 1, 1967, substituted "North Carolina Department of Veterans Affairs" for "North Carolina Veterans Commission" in two places in this section.

The 1973 amendment, effective July 1, 1973, substituted "Department of Military and Veterans Affairs" for "North Carolina Department of Veterans Affairs."



## Chapter 35.

### Persons with Mental Diseases and Incompetents.

#### Article 2.

##### Guardianship and Management of Estates of Incompetents.

- Sec.  
35-2. Inquisition of lunacy; appointment of guardian.  
35-4. Restoration to sanity or sobriety; effect; how determined; appeal.  
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#### Article 5.

##### Surplus Income and Advancements.

- 35-20. Advancement of surplus income to certain relatives.

#### Article 7.

##### Sterilization of Persons Mentally Ill and Mentally Retarded.

- 35-36. Sterilization of mental defectives in State institutions.  
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- 35-39. Duty of petitioner.  
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35-48. Civil or criminal liability of parties limited.  
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35-51 to 35-57. [Repealed.]

#### Article 11.

##### Medical Advisory Council to State Board of Mental Health.

- 35-70 to 35-72. [Repealed.]

#### Article 12.

##### Council on Mental Retardation and Developmental Disabilities.

- 35-73 to 35-77. [Repealed.]

## ARTICLE 2.

### *Guardianship and Management of Estates of Incompetents.*

§ 35-2. **Inquisition of lunacy; appointment of guardian.** — Any person, in behalf of one who is deemed a mental defective, inebriate, or mentally disordered, or incompetent from want of understanding to manage his own affairs by reason of the excessive use of intoxicating drinks, or other cause, may file a petition before the clerk of the superior court of the county where such supposed mental defective, inebriate or mentally disordered person resides, setting forth the facts, duly verified by the oath of the petitioner; whereupon such clerk shall issue an order, upon notice to the supposed mental defective, inebriate or mentally disordered person, to the sheriff of the county, commanding him to summon a jury of 12 men to inquire into the state of such supposed mental defective, inebriate or mentally disordered person. Upon the return of the sheriff summoning said jury, the clerk of the superior court shall swear and organize said jury and shall preside over said hearing, and the jury shall make return of their proceedings under their hand to the clerk, who shall file and record the same; and he shall proceed to appoint a guardian of any person so found to be a mental defective, inebriate, mentally disordered, or incompetent person by inquisition of a jury, as in cases of orphans.

Either the applicant or the supposed mental defective, inebriate, mentally disordered, or incompetent person may appeal from the finding of said jury to the next session of the superior court, when the matters at issue shall be regularly tried de novo before a jury, and pending such appeal, the clerk of the superior court shall not appoint a guardian for the said supposed mental defective, inebriate, mentally disordered, or incompetent person, but the resident



judge of the district, or the judge presiding in the district, may in his discretion appoint a temporary receiver for the alleged incompetent pending the appeal. The trial of said appeal in the superior court shall have precedence over all other causes.

The jury shall make return of their proceedings under their hands to the clerk, who shall file and record the same; and he shall proceed to appoint a guardian of any person so found to be a mental defective, inebriate, mentally disordered or incompetent person by inquisition of a jury as in cases of orphans. If the person so adjudged incompetent shall be an inebriate within the definition of G.S. 35-1, the clerk shall proceed to commit said inebriate to the department for inebriates at the State Hospital at Raleigh for treatment and cure. He shall forward to the superintendent of said State Hospital a copy of the record required herein to be made, together with the commitment, and these shall constitute the authority to said superintendent to receive and care for such said inebriate. The expenses of the care and cure of said inebriate shall constitute a charge against the estate in the care of his guardian. If, however, such estate is not large enough to pay such expenses the same shall be a valid charge against the county from which said inebriate is sent. Provided, where the person is found to be incompetent from want of understanding to manage his affairs, by reason of physical and mental weakness on account of old age and/or disease and/or other like infirmities, the clerk may appoint a trustee instead of guardian for said person. The trustee or guardian appointed shall be vested with all the powers of a guardian administering an estate for any person and shall be subject to all the laws governing the administration of estates of minors and incompetents. The clerks of the superior courts who have heretofore appointed guardians for persons described in this proviso are hereby authorized and empowered to change said appointment from guardian to trustee. The sheriffs of the several counties to whom a process is directed under the provisions of this section shall serve the same without demanding their fees in advance. And the juries of the several counties upon whom a process is served under the provisions of this section shall serve and make their returns without demanding their fees in advance. (C. C. P., s. 473; Code, s. 1670; Rev., s. 1890; 1919, c. 54; C. S., s. 2285; 1921, c. 156, s. 1; 1929, c. 203, s. 1; 1933, c. 192; 1945, c. 952, s. 3; 1951, c. 777; 1971, c. 528, s. 31.)

**Editor's Note.** — The 1971 amendment effective Oct. 1, 1971, substituted "session" for "term" in the first sentence of the second paragraph.

For note on requirement of notice for appointment of guardians ad litem and next friends, see 48 N.C.L. Rev. 92 (1969).

**There is no completely satisfactory definition of the phrase "incompetent from want of understanding to manage his own affairs."** Hagins v. Redevelopment Comm'n, 275 N.C. 90, 165 S.E.2d 490 (1969).

**Incompetency to administer one's property obviously depends upon the general frame and habit of mind,** and not upon specific actions, such as may be reflected by eccentricities, prejudices, or the holding of particular beliefs. Hagins v. Redevelopment Comm'n, 275 N.C. 90, 165 S.E.2d 490 (1969).

**The word "affairs"** encompasses a person's entire property and business, not just one transaction or one piece of property to which he may have a unique attachment. Hagins v.

Redevelopment Comm'n, 275 N.C. 90, 165 S.E.2d 490 (1969).

**Test.** — Under the section, if a person's mental condition is such that he is incapable of transacting the ordinary business involved in taking care of his property, if he is incapable of exercising rational judgment and weighing the consequences of his acts upon himself, his family, his property and estate, he is incompetent to manage his affairs. On the other hand, if he understands what is necessarily required for the management of his ordinary business affairs and is able to perform those acts with reasonable continuity, if he comprehends the effect of what he does, and can exercise his own will, he is not lacking in understanding within the meaning of the law, and he cannot be deprived of the control of his litigation or property. Hagins v. Redevelopment Comm'n, 275 N.C. 90, 165 S.E.2d 490 (1969).

**Mere weakness of mind** will not be sufficient to put a person among those who are incompetent to manage their own affairs.



**Hagins v. Redevelopment Comm'n**, 275 N.C. 90, 165 S.E.2d 490 (1969).

**Eccentricity**, like profligacy, may coexist with the ability to manage one's property. **Hagins v. Redevelopment Comm'n**, 275 N.C. 90, 165 S.E.2d 490 (1969).

**An adult plaintiff who is not an idiot or lunatic must be non compos mentis** before the court has jurisdiction to appoint a next friend for him. **Hagins v. Redevelopment Comm'n**, 275 N.C. 90, 165 S.E.2d 490 (1969).

**No Substantial Difference between Next Friend and Guardian Ad Litem.** — Although technically a next friend represents a plaintiff and a guardian ad litem represents a defendant, there is no substantial difference between the two. **Hagins v. Redevelopment Comm'n**, 275 N.C. 90, 165 S.E.2d 490 (1969).

**The class of persons for whom next friends and guardians ad litem may be appointed are the same.** **Hagins v. Redevelopment Comm'n**, 275 N.C. 90, 165 S.E.2d 490 (1969).

**To authorize the appointment of next friend or guardian ad litem**, it is not enough to show that another might manage a man's property more wisely or efficiently than he himself. **Hagins v. Redevelopment Comm'n**, 275 N.C. 90, 165 S.E.2d 490 (1969).

**An inquisition is not always a condition precedent for the appointment of a next friend or a guardian ad litem.** In an emergency, when it is necessary, *pendente lite*, to safeguard the property of a person non compos mentis whose incompetency has not been adjudicated, the protection of the court may be invoked in his behalf by one acting as next friend. **Hagins v. Redevelopment Comm'n**, 275 N.C. 90, 165 S.E.2d 490 (1969).

**Neither a next friend nor a guardian ad litem has authority to receive money or administer the litigant's property.** His powers are coterminous with the beginning and end of the litigation in which he is appointed. **Hagins v. Redevelopment Comm'n**, 275 N.C. 90, 165 S.E.2d 490 (1969).

**Notice and Opportunity to Be Heard.** — When a party's lack of mental capacity is asserted and denied, and he has not previously been adjudicated incompetent to manage his affairs, he is entitled to notice and an opportunity to be heard before the judge can appoint either a next friend or a guardian ad litem for him. **Hagins v. Redevelopment Comm'n**, 275 N.C. 90, 165 S.E.2d 490 (1969).

A person for whom a next friend or guardian ad litem is proposed is entitled to notice as in case of an inquisition of lunacy under this section. This statute does not specify the time but, by analogy to former § 1-581, ten days' notice would be appropriate unless the court, for good cause, should prescribe a shorter period. If, at the time appointed for the hearing, the party does not deny the allegation that he is incompetent, and the judge is satisfied that the application is made in good faith and that the party is non compos mentis, the judge may proceed to appoint a next friend to act for him. If, however, he asserts his competency, he is entitled to have the issue determined as provided in this section. **Hagins v. Redevelopment Comm'n**, 275 N.C. 90, 165 S.E.2d 490 (1969).

It is fundamental that one accused of incompetency is entitled to notice of the proceedings and a reasonable opportunity to rebut the allegations of the petition. In *re Robinson*, 26 N.C. App. 341, 215 S.E.2d 631 (1975).

This statute does not specify the time but 10 days' notice would be appropriate unless the court, for good cause, should prescribe a shorter period. In *re Robinson*, 26 N.C. App. 341, 215 S.E.2d 631 (1975).

**Right to Traverse Inquisition.** — From the earliest times the common law and the course of the legislation in common-law states has guarded sedulously the right of persons accused of incompetency of any kind to traverse the inquisition or other proceeding in the nature of one *de lunatico inquirendo*. **Hagins v. Redevelopment Comm'n**, 275 N.C. 90, 165 S.E.2d 490 (1969).

**Conclusiveness of Adjudication.** —

The executed contract of a mentally incompetent person is ordinarily voidable and not void. If, however, the person has been adjudged incompetent from want of understanding to manage his affairs and the court has appointed a guardian for him, he is conclusively presumed insane insofar as parties and privies to the guardianship proceedings are concerned; as to all others, it is presumptive (but rebuttable) proof of the ward's incapacity. *Chesson v. Pilot Life Ins. Co.*, 268 N.C. 98, 150 S.E.2d 40 (1966).

**Quoted in** *In re Michal*, 273 N.C. 504, 160 S.E.2d 495 (1968).

### § 35-2.1. Guardian appointed when issues answered by jury in any case.

**Stated in** **Hagins v. Redevelopment Comm'n**, 275 N.C. 90, 165 S.E.2d 490 (1969).



**§ 35-3. Guardian appointed on certificate from hospital for insane or training school.****Editor's Note. —**

For note on requirement of notice for appointment of guardians ad litem and next friends, see 48 N.C.L. Rev. 92 (1969).

**Quoted in Hagins v. Redevelopment Comm'n,** 275 N.C. 90, 165 S.E.2d 490 (1969).

**§ 35-3.1. Ancillary guardian for insane or incompetent nonresident having real property in State.****Editor's Note. —**

For note on requirement of notice for appointment of guardians ad litem and next friends, see 48 N.C.L. Rev. 92 (1969).

**§ 35-4. Restoration to sanity or sobriety; effect; how determined; appeal.**

— When any insane person or inebriate becomes of sound mind and memory, or becomes competent to manage his property, he is authorized to manage, sell and control all his property in as full and ample a manner as he could do before he became insane or inebriate, and a petition in behalf of such person may be filed before the clerk of the superior court of the county of his residence; provided, however, that in all cases where a guardian has been appointed the cause of action shall be tried in the county where the guardianship is pending, and said guardian shall be made a party to such action before final determination thereof, setting forth the facts, duly verified by the oath of the petitioner (the petition may be filed by the person formerly adjudged to be insane, lunatic inebriate or incompetent; or by any friend or relative of said person; or by the guardian of said person), whereupon the clerk shall issue an order, upon notice to the person alleged to be no longer insane or inebriate, to the sheriff of the county, commanding him to summon a jury of six freeholders to inquire into the sanity of the alleged sane person, formerly a lunatic, or the sobriety of such alleged restored person, formerly an inebriate. The jury shall make return of their proceedings under their hands to the clerk, who shall file and record the same, and if the jury find that the person whose mental or physical condition inquired of is sane and of sound mind and memory, or is no longer an inebriate, as the case may be, the said person is authorized to manage his affairs, make contracts and sell his property, both real and personal, as if he had never been insane or inebriate. The petitioner may may appeal from the finding of said jury to the next session of the superior court, when the matters at issue shall be regularly tried de novo before a jury. (1879, c. 324, s. 4; Code, s. 1672; 1901, c. 191; 1903, c. 80; Rev., s. 1893; C. S., s. 2287; 1937, c. 311; 1941, c. 145; 1949, c. 124; 1955, c. 691; 1971, c. 528, s. 31.)

**Editor's Note. —**

The 1971 amendment, effective Oct. 1, 1971, substituted "session" for "term" in the last sentence.

**§ 35-4.1. Discharge of guardian by clerk on testimony of one or more practicing physicians. —** When any person for whom a guardian has been appointed by reason of his commitment to and confinement in a State hospital or private hospital for mental cases or State school for the feeble-minded shall have been discharged from that commitment by the hospital or school, he may petition, or in his behalf his natural or legal guardian or any interested



responsible person may petition, the clerk of superior court of the county of his residence or the clerk of superior court of the county in which the guardian was appointed for the discharge of such guardian. The guardian shall be notified thereupon and made a party to such action, which shall be held in, or transferred to, if requested by the guardian, the county in which the guardian was appointed.

The clerk shall hold a hearing, which at the option of the petitioner may be without jury, and shall appoint one or more licensed physicians to examine the person in question and to make an affidavit as to his mental state and competency to conduct his business, make contracts and sell property. If the hearing is before a jury and the jury determines that such person is competent, or if the hearing is without a jury and the clerk determines that such person is competent on the basis of evidence presented by the interested parties and the medical affidavits, the clerk shall discharge the guardian, and the person shall be able to conduct his affairs and business, make contracts, and transfer property as if he never had been committed or declared incompetent. When any such determination by the jury or the clerk, in the absence of a jury, is adverse to the person in whose behalf such petition has been presented, such petitioner may appeal from the finding of said jury or clerk to the next session of the superior court, when the matters at issue shall be regularly tried de novo before a jury. (1947, c. 537, s. 22; 1949, c. 124; 1971, c. 528, s. 31.)

**Editor's Note.** — The 1971 amendment, "term" in the last sentence of the second effective Oct. 1, 1971, substituted "session" for paragraph.

#### ARTICLE 4.

##### *Mortgage of Sale of Estates Held by the Entireties.*

**§ 35-14. Where one spouse or both incompetent; special proceeding before clerk.**

**Editor's Note.** —

For note on tenancy by the entirety in real property during marriage, see 47 N.C.L. Rev. 963 (1969).

Cited in North Carolina State Highway Comm'n v. Myers, 270 N.C. 258, 154 S.E.2d 87 (1967).

#### ARTICLE 5.

##### *Surplus Income and Advancements.*

**§ 35-20. Advancement of surplus income to certain relatives.** — When any nonsane person, of full age, and not having made a valid will, has children or grandchildren (such grandchildren being the issue of a deceased child), and is possessed of an estate, real or personal, whose annual income is more than sufficient abundantly and amply to support himself, and to support, maintain and educate the members of his family, with all the necessities and suitable comforts of life, it is lawful for the clerk of the superior court for the county in which such person has his residence to order from time to time, and so often as may be judged expedient, that fit and proper advancements be made, out of the surplus of such income, to any such child, or grandchild, not being a member of his family and entitled to be supported, educated and maintained out of the estate of such person. Whenever any nonsane person of full age, not being married and not having issue, be possessed, or his guardian be possessed for him, of any estate, real or personal, or of an income which is more than sufficient amply to provide for such person, it shall be lawful for the clerk of the superior court for the county in which such person resided prior to insanity to order from time to time, and so often as he may deem expedient, that fit and proper



advancements be made, out of the surplus of such estate or income, to his or her parents, brothers and sisters, or grandparents to whose support, prior to his insanity, he contributed in whole or in part. (R. C., c. 57, s. 9; Code, s. 1677; Rev., s. 1900; C. S., s. 2296; Ex. Sess. 1924, c. 93; 1971, c. 528, s. 32.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, corrected the spelling of the word "superior" in the second sentence.

#### ARTICLE 7.

#### *Sterilization of Persons Mentally Ill and Mentally Retarded.*

**§ 35-36. Sterilization of mental defectives in State institutions.** — The responsible director, or other public official performing the functions of such director, of any institution supported wholly or in part by the State of North Carolina is hereby authorized to petition the district court of the county in which such institution is located for the sterilization operation of any mentally ill or retarded resident or patient thereof as may be considered in the best interest of the mental, moral, or physical improvement of the resident or patient, or for the public good, provided, that no operation authorized in this section shall be lawful unless and until the provisions of this Article shall first be complied with. It shall be the responsibility of the State institution to provide or pay for the cost and expense of the operations authorized in this section for those persons residents or patients in State institutions. (1933, c. 224, s. 1; 1967, c. 138, s. 1; 1973, c. 1281.)

**Revision of Article.** — Session Laws 1973, c. 1281, effective Jan. 1, 1975, revised and rewrote this Article, substituting present §§ 35-36 through 35-50 for former §§ 35-36 through 35-57. No attempt has been made to point out the

changes effected by the revision, but, where appropriate, the historical citations to the former sections have been added to corresponding sections in the revised Article.

**§ 35-37. Sterilization of mental defectives not in State institutions.** — The county director of social services, or other public official performing the functions of such director, is hereby authorized to petition the district court of his county for the sterilization operation of any mentally ill or retarded resident of the county, not a resident or patient of any State institution, or of any mentally ill or retarded person who is on parole from a State institution considered in the best interest of the mental, moral, or physical improvement of such resident, or for the public good, provided that no operation authorized in this section shall be lawful unless and until the provisions of this Article shall first be complied with. It shall be the responsibility of the board of commissioners of the respective counties to provide or pay for the cost and expense of the operations authorized in this section for those persons residents in their respective counties. (1933, c. 224, s. 2; 1961, c. 186; 1967, c. 138, s. 2; 1973, c. 1281.)

**§ 35-38. Who shall perform sterilization operations upon the mental defectives.** — No operation under this Article shall be performed by other than a duly qualified and licensed North Carolina physician or surgeon, pursuant to Chapter 90 of the General Statutes as amended, and by him only upon a written order signed by the court having authority under the provisions of either G.S. 35-43 or G.S. 35-44. The petitioner will select the physician or surgeon to perform the sterilization operation and notify the patient and next of kin. If however, the patient or next of kin wishes to select a physician or surgeon other than the



one selected by the petitioner, it will be the responsibility of the patient or next of kin to pay for the costs and expense of the sterilization operation. In the event the patient or next of kin is unable to provide for payment of the physician or surgeon selected by them, the operation will be performed by the physician or surgeon selected by the petitioner. (1933, c. 224, s. 3; 1961, c. 186; 1967, c. 138, s. 3; 1969, c. 982; 1973, c. 1281.)

**§ 35-39. Duty of petitioner.** — It shall be the duty of such petitioner promptly to institute proceedings as provided by this Article in any of the following circumstances:

- (1) When in his opinion it is for the best interest of the mental, moral or physical improvement of the patient, resident of an institution, or noninstitutional individual, that he or she be sterilized.
- (2) When in his opinion it is for the public good that such patient, resident of an institution, or noninstitutional individual be sterilized.
- (3) When in his opinion such patient, resident of an institution, or noninstitutional individual would be likely, unless sterilized, to procreate a child or children who would have a tendency to serious physical, mental, or nervous disease or deficiency; or, because of a physical, mental, or nervous disease or deficiency which is not likely to materially improve, the person would be unable to care for a child or children.
- (4) When requested to do so in writing by the next of kin or legal guardian of such patient, resident of an institution, or noninstitutional individual. (1933, c. 224, s. 4; 1935, c. 463, s. 1; 1937, c. 243; 1961, c. 186; 1967, c. 138, s. 4; 1969, c. 982; 1973, c. 476, s. 133.3; c. 1281.)

**§ 35-40. Contents of petition.** — The petition shall contain allegations of the results of psychological or psychiatric tests supporting the assertion that such person is subject to the provisions of this Article; shall contain the statement of a physician who has examined such person affirming whether or not there is any known contraindication to the requested surgical procedure; shall state the name and address of the physician or surgeon who will perform the operation; and shall contain the written consent or objection of the next of kin, the legal guardian or, if there is no next of kin and no known legal guardian a guardian ad litem who shall be appointed by the district court judge and who shall make investigation and report to the court before the hearing shall commence. The petition should also contain the consent or objection of the person upon whom the sterilization operation is to be performed. In the event the person upon whom the operation is to be performed is not capable of giving consent or objection, there must be a certification by the petitioner that the procedure has been explained to the person upon whom the operation is to be performed. (1933, c. 224, s. 8; 1935, c. 463, s. 2; 1973, c. 476, s. 133.3; c. 1281.)

**§ 35-41. Copy of petition served on patient.** — At least 20 days prior to the hearing on the petition in the district court, a copy of such petition must be served upon the resident of the institution, patient, or noninstitutional individual and to the legal or natural guardian, guardian ad litem, or next of kin of the resident of the institution, patient, or noninstitutional individual. (1933, c. 224, s. 9; 1935, c. 463, ss. 3, 6; 1947, c. 93; 1961, c. 186; 1969, c. 982; 1971, c. 528, s. 33; c. 1231, s. 1; 1973, c. 476, s. 133.3; c. 1281.)

**§ 35-42. Judge to order investigation.** — If the petitioner instituting the sterilization proceedings is other than the county director of social services the judge shall order the county director of social services in the county in which the person upon whom the operation is to be performed has domicile to investigate and make recommendations to him regarding the case. (1973, c. 1281.)



**§ 35-43. Hearing before the judge of district court.** — Should the petitioner, the person subject to the petition, or any other interested party request a hearing, a hearing shall be held in the district court before the judge without a jury. In the absence of written objection filed with the court by the person alleged to be subject to this section or by any other interested party on his or her behalf, the court may render judgment without the appearance of witnesses. In the event a hearing is requested the district attorney for the district in which the petition is heard or the district attorney's assistant may present the evidence for the petitioner. The respondent shall be entitled to examine the petitioner's witnesses and shall be entitled to present evidence in his own behalf. If the judge of the district court shall find from the evidence that the person alleged to be subject to this section is subject to it and that because of a physical, mental, or nervous disease or deficiency which is not likely to materially improve, the person would probably be unable to care for a child or children, or because the person would be likely, unless sterilized, to procreate a child or children which probably would have serious physical, mental, or nervous diseases or deficiencies, he shall enter an order and judgment authorizing the physician or surgeon named in the petition to perform the operation. (1973, c. 1281; 1975, c. 520, s. 1.)

**Editor's Note.** — The 1975 amendment substituted "may" for "shall" near the end of the third sentence.

**§ 35-44. Appeals.** — An appeal to the superior court may be had by the person alleged to be subject to this section or any other interested party on such judgment in the district court if filed within 15 days following the date the court judgment is entered. The proceedings before the superior court shall constitute a trial de novo, and upon application of either party shall be heard before a jury. The district attorney for the district in which the petition is heard or his assistant may present the evidence for the petitioner. The respondent shall be entitled to examine the petitioner's witnesses and to present evidence in his own behalf. Any decision of the superior court in such cases may be appealed to the appellate courts as in other civil cases. The cost of the appeal, if any, to the superior court and higher courts shall be taxed as in other civil cases and the pendency of any appeal shall stay the proceedings in the lower court until the appeal be finally determined. Paupers' affidavits regarding court costs and costs of appeal may be filed as in other cases made and provided by the laws of this State. (1933, c. 224, ss. 13, 14; 1935, c. 463, ss. 4, 5; 1969, c. 44, s. 44; 1973, c. 476, s. 133.3; c. 1281; 1975, c. 520, s. 2.)

**Editor's Note.** — The 1975 amendment substituted "may" for "shall" in the third sentence.

**§ 35-45. Right to counsel.** — The person alleged to be subject to the provisions of this section shall have the right to counsel at all stages of the proceedings provided for herein. This person and all others served with the notification provided for in G.S. 35-41 shall be fully informed of the person's entitlement to counsel at the time of this service of notice. This information shall be given in language and in a manner calculated to insure, insofar as such is possible in view of the individual's capability to comprehend it, that the recipient understands the entitlement. Every person subject to be sterilized under this Article after the filing of the petition shall have counsel at every stage of the proceedings. If there is a conflict between the election of the person concerned



and that of the other persons being served with notice, determination of the question of representation by counsel shall be made by the court having jurisdiction of the case. The person concerned may, in any instance, be represented by counsel retained by him. In cases of claimed indigency, a request for counsel shall be processed in the manner provided for in Subchapter IX, Chapter 7A, General Statutes of North Carolina. (1973, c. 1281.)

**§ 35-46. Sterilization procedure to be performed after court judgment.** — After judgment of the court in accordance with G.S. 35-43 and G.S. 35-44 shall have become final to the effect that such sterilization shall be performed upon such person subject to this section, a sterilization procedure may be performed by a physician upon such person subject to this section. (1973, c. 1281.)

**§ 35-47. Sterilization procedure defined.** — Wherever used in this section, the words, "sterilization procedure" shall include and authorize the performance by the physician of any procedure or operation deemed to be in the best interest of the individual patient or intended to prevent conception, but does not include castration. (1973, c. 1281.)

**§ 35-48. Civil or criminal liability of parties limited.** — When an operation shall have been performed in compliance with the provisions of this law, no physician duly licensed without restriction to practice medicine and surgery in this State or other person legally participating in the execution of the provisions of this Article shall be liable civilly or criminally on account of such operation or participation therein, except in the case of negligence in the performance of said procedures. (1933, c. 224, s. 16; 1973, c. 1281.)

**§ 35-49. Necessary medical treatment unaffected by Article.** — Nothing in this section [Article] shall be construed so as to require compliance with this section or to prevent the medical or surgical treatment for sound therapeutic purposes of any person in this State, by a physician duly licensed without restriction to practice medicine and surgery in this State, which treatment may involve the nullification or destruction of the reproductive functions at the same time that it serves such sound therapeutic purposes. (1933, c. 224, s. 17; 1973, c. 1281.)

**§ 35-50. Hospitals not compelled to admit patient.** — Nothing in this section shall require a hospital to admit any patient under the provisions hereof for the purpose of performing a sterilization procedure. (1973, c. 1281.)

**§§ 35-51 to 35-57:** Repealed by Session Laws 1973, c. 1281, effective January 1, 1975.

**Revision of Article.** — See same catchline under § 35-36.

## ARTICLE 11.

### *Medical Advisory Council to State Board of Mental Health.*

**§§ 35-70 to 35-72:** Repealed by Session Laws 1973, c. 476, s. 133, effective July 1, 1973.



ARTICLE 12.

*Council on Mental Retardation and Developmental Disabilities.*

§§ 35-73 to 35-77: Repealed by Session Laws 1973, c. 476, s. 170, effective July 1, 1973.



**Chapter 36.****Trusts and Trustees.****Article 1.****Investment and Deposit of  
Trust Funds.**

Sec.

36-1. Certain investments deemed cash.

36-3. Investment in building and loan and federal savings and loan associations.

36-4. Investment in registered securities.

36-4.1. Investment in life, endowment or annuity contracts of legal reserve life insurance companies.

36-5.2. Holding company stock; fiduciary may hold.

**Article 3.****Resignation of Trustee.**

36-14. On appeal judge determines facts.

36-18.2. Trustee may renounce.

**Article 4.****Charitable Trusts.**

36-23.2. Charitable Trusts Administration Act.

36-23.3. Charitable trusts tax exempt status.

**Article 5.****Uniform Trusts Act.**

Sec.

36-32. Fiduciaries holding stock or other securities in name of nominee.

36-32.1. Bank and trust company assets kept separate; records of securities.

**Article 6.****Uniform Common Trust  
Fund Act.**

36-47. Establishment of common trust funds.

**Article 8.****Mutual Trust Investment Companies.**

36-62 to 36-66. [Reserved.]

**Article 9.****Testamentary Trustees.**

36-67. Trustees in wills to qualify and file inventories and accounts.

**ARTICLE 1.***Investment and Deposit of Trust Funds.*

**§ 36-1. Certain investments deemed cash.** — Guardians, executors, administrators, and others acting in a fiduciary capacity, having surplus funds of their wards, estates and cestuis que trustent to loan, may invest in United States bonds, or any securities for which the United States are responsible, farm loan bonds issued by federal land banks, bonds, debentures, consolidated bonds or other obligations of any federal home loan bank or banks, or any notes, bonds, debentures, or similar type obligations, consolidated or otherwise, issued by any farm credit institution pursuant to authorities contained in the Farm Credit Act of 1971 (Public Law 92-181), as amended, or in bonds of the State of North Carolina issued since the year 1872; or in drainage bonds duly issued under the provisions of Article 8 of Chapter entitled Drainage; and in settlements by guardians, executors, administrators, trustees, and others acting in a fiduciary capacity, such bonds or other securities of the United States, and such bonds of the State of North Carolina, and such drainage bonds, shall be deemed cash to the amount actually paid for same, including the premium, if any, paid for such bonds or other securities, and may be paid as such by the transfer thereof to the persons entitled.

Guardians, executors, administrators and others acting in a fiduciary capacity may invest surplus funds belonging to their wards in a savings account or accounts in any federally insured bank, building and loan association or savings and loan association in North Carolina or in a certificate or certificates of deposit issued by any federally insured bank, building and loan association or savings and loan association in North Carolina. (1870-1, c. 197; Code, s. 1594; 1885, c. 389; Rev., s. 1792; 1917, c. 6, s. 9; c. 67, s. 1; c. 152, s. 7; c. 191, s. 1; c. 269, s. 5; C. S., s. 4018; 1959, c. 364, s. 2; c. 1015, s. 2; 1973, c. 239, s. 1; 1975, c. 319.)



**Editor's Note.** — The 1973 amendment inserted in the first paragraph the provisions relating to obligations issued by farm credit institutions pursuant to the Farm Credit Act of 1971.

The 1975 amendment inserted "building and loan association or savings and loan association" in two places in the second paragraph.

**§ 36-3. Investment in building and loan and federal savings and loan associations.** — Guardians, executors, administrators, clerks of the superior court and others acting in a fiduciary capacity may invest funds in their hands as such fiduciaries in stock of any building and loan association organized and licensed under the laws of this State: Provided, that no such funds may be so invested unless and until authorized by the Administrator of the Savings and Loan Division. Provided further, that such funds may be invested in stock of any federal savings and loan association organized under the laws of the United States, upon approval of an officer of the Home Loan Bank at Winston-Salem, or such other governmental agency as may hereafter have supervision of such associations. The authorization of the Administrator of the Savings and Loan Division or an officer of the Home Loan Bank at Winston-Salem or other government agency having supervision will not be required to the extent that such funds are insured by the Federal Savings and Loan Insurance Corporation or by any mutual deposit guaranty association authorized by the Administrator of the Savings and Loan Division of North Carolina to do business in North Carolina pursuant to Article 7A of Chapter 54 of the General Statutes. (1933, c. 549, s. 1; 1937, c. 14; 1953, c. 620; 1969, c. 861; 1971, c. 864, s. 17.)

**Editor's Note.** — The 1969 amendment added at the end of the section the provision as to insurance by a mutual deposit guaranty association authorized to do business in North Carolina.

The 1971 amendment substituted "Administrator of the Savings and Loan

Division" for "Commissioner of Insurance" in three places in this section.

By virtue of Session Laws 1943, c. 170, "Commissioner of Insurance" has been substituted for "Insurance Commissioner" in the first sentence of the section.

**§ 36-4. Investment in registered securities.** — Any guardian or trustee having in hand surplus funds belonging to a minor ward, incompetent person, or persons non compos mentis, may, if he so elects, invest the same in registered securities within the classes designated by G.S. 36-1 and 36-2, the registration of said securities as to principal only to be in the name of said minor ward, incompetent person, or persons non compos mentis.

Upon delivery of such registered securities, or, upon the delivery of any savings account passbook issued by virtue of investment in any savings and loan association authorized by G.S. 36-3, or, if a guardian or trustee so elects, upon the delivery of any stocks, bonds, securities and other similar intangible personal property, to the clerk of the superior court of the county in which the estate of said decedent, minor ward, incompetent person, or persons non compos mentis, is being administered and with respect to any such savings accounts, stocks, bonds, securities, and other similar intangible personal properties, the performance by such guardian or trustee of such additional acts (including the execution and delivery of necessary transfer instruments) as are necessary to divest himself of the control of the principal invested therein and to confer control of same upon the clerk, said clerk of the superior court shall give said guardian or trustee a receipt for the same and said clerk of superior court shall thereafter hold same for said estate, ward, incompetent person, or persons non compos mentis, subject only to final disposition thereof to be approved by the resident judge or presiding judge of the superior court: Provided, however, all income accruing therefrom, and payable under the terms of the investment



instrument, shall be paid to said guardian or trustee in the same manner and for the same purposes as any other income of said estate derived from other sources.

Whenever any guardian or trustee shall have delivered to the clerk of the superior court registered securities as hereinbefore provided, he shall be entitled to credit in his account as guardian or trustee for the amount actually expended for such securities, and in addition, after the delivery of such registered securities, as well as upon the delivery of any savings account passbooks as hereinbefore authorized, or upon the delivery of any of the types of intangible personal property as authorized above, the bond of such guardian or trustee shall thereupon be reduced, as follows:

- (1) In the event of the delivery of registered securities, in an amount equal in proportion to the total amount of the bond as the funds expended for the securities are to the total amount of the estate covered by such bond.
- (2) In the event of the delivery of savings account passbooks, in an amount equal in proportion to the total amount of the bond as the funds represented actually deposited thereunder bear to the total amount of the estate covered by such bond, provided the clerk of the superior court finds that the guardian or trustee has notified the savings account depository of the transfer of control in manner and form satisfactory to the said clerk.
- (3) In the event of the delivery of any of the hereinabove authorized types of intangible personal property, in an amount equal in proportion to the total amount of the bond as their fair market value bears to the total amount of the estate covered by such bond. (1935, c. 449; 1943, c. 96; 1945, c. 713; 1975, c. 40.)

**Editor's Note. —**

The 1975 amendment rewrote the second and third paragraphs.

**§ 36-4.1. Investment in life, endowment or annuity contracts of legal reserve life insurance companies. —** (a) Executors, administrators c.t.a., trustees and guardians legally holding funds or assets belonging to, or for the benefit of, minors or others may, upon petition filed with the clerk of the superior court of the county in which said fiduciary has qualified, be authorized by an order of such clerk of the superior court and approved by either the resident judge or a judge of the superior court during a session of court, to invest such funds or assets, or part thereof, in single premium life, endowment or annuity contracts; any such fiduciaries may be authorized by order of the clerk of the superior court, upon approval by the judge as above provided, to invest the earnings, or part thereof, of such trust funds or assets, without encroaching upon the principal, in any annual premium life, endowment or annuity contracts of legal reserve life insurance companies duly licensed and qualified to transact business within the State: Provided, that where any such annual premium contract has been purchased as herein authorized any such fiduciary may, upon authorization of the clerk of the superior court and approval of the judge as above specified, encroach upon and use the principal of such trust funds or assets in order to pay subsequent premiums and thereby prevent a lapsation or forfeiture of any such insurance contract purchased pursuant to the provisions of this section.

(1971, c. 528, s. 34.)

**Editor's Note. —** The 1971 amendment, session of court" for "at term time" near the effective Oct. 1, 1971, substituted "during a middle of subsection (a).



As subsections (b) and (c) were not changed by the amendment, only subsection (a) is set out.

**This section requires specific court approval** as a condition precedent to the purchase of a

single premium annuity by a trustee even from income. *Greer v. United States*, 448 F.2d 937 (4th Cir. 1971).

**§ 36-5.2. Holding company stock; fiduciary may hold.** — A fiduciary holding funds for investment who is specifically directed or authorized by an instrument creating the fiduciary relationship to retain the stock of a bank or trust company that is a member of a bank holding company currently fully registered under an act of Congress entitled "Bank Holding Company Act of 1956," as the same may be amended from time to time, shall be considered as being directed or authorized to retain the stock of such bank holding company. This section shall apply to any fiduciary relationship now in existence or which may hereafter come into existence and to all investments now held or which may hereafter be acquired in such relationship. (1973, c. 1277.)

### ARTICLE 3.

#### *Resignation of Trustee.*

#### **§ 36-9. Clerk's power to accept resignations.**

**Stated in** *In re Michal*, 273 N.C. 504, 160 S.E.2d 495 (1968).

**Cited in** *King v. Snyder*, 269 N.C. 148, 152 S.E.2d 92 (1967).

**§ 36-14. On appeal judge determines facts.** — Upon an appeal taken from the clerk to the judge, the judge shall have the power to review the findings of fact made by the clerk and to find the facts or to take other evidence, but the facts found by the judge shall be final and conclusive upon any appeal to the appellate division. (1911, c. 39, s. 5; C. S., s. 4028; 1969, c. 44, s. 46.)

**Editor's Note.** — The 1969 amendment substituted "appellate division" for "Supreme Court" at the end of the section.

#### **§ 36-18.1. Appointment of successors to deceased or incapacitated trustees.**

**Cited in** *Beam v. Almond*, 271 N.C. 509, 157 S.E.2d 215 (1967).

**§ 36-18.2. Trustee may renounce.** — (a) Any person or corporation named as trustee in any will admitted to probate in this State, or any substitute trustee, may, at any time prior to qualifying as required by G.S. 28-53 or taking any action as trustee if such qualification is not required, and whether or not such person or corporation is entitled to so qualify or act, renounce such trusteeship by a writing filed with the clerk of the superior court of the county in which the will is admitted to probate. Upon receipt of such renunciation the clerk shall give notice thereof to all persons interested in the trust, including successor or substitute trustees named in the will, which notice shall also comply with the requirements of subsection (e) of this section.

(b) If the will names or identifies a substitute trustee in case of renunciation, the provisions of the will shall be complied with, and the clerk shall enter an appropriate order appointing the substitute trustee in accordance therewith unless the substitute trustee also renounces. A substitute trustee so named shall



succeed to the officer of trustee upon the date of the order of appointment by the clerk unless the will provides otherwise.

(c) If the will does not name or identify a substitute trustee in case of renunciation, and it appears that a substitute trustee should be appointed, the clerk shall appoint some fit and suitable person or corporation as substitute trustee. If the will does not name or identify a substitute trustee, but contains provisions regarding the selection of a substitute trustee, such provisions shall be complied with unless the clerk determines that such provisions would result in the selection of an unfit or unsuitable trustee. A substitute trustee so appointed shall succeed to the office of trustee upon the date of the order of appointment unless the will provides otherwise.

(d) A substitute trustee shall, upon succeeding to the office of trustee, unless the will provides otherwise, have such powers and duties and be vested with the title to the property included in the trust, as if the substitute trustee had been originally named in the will.

(e) Each notice required by this section shall be written notice, and shall identify the proceeding and apprise the person to be notified of the nature of the action to be taken. Service of such notice may be in the same manner as is provided for service of notice in civil actions, or by mailing the notice to the person to be notified at his last known address. Service of the notice must be completed not less than ten days prior to the date the hearing is held or the action is taken. Service by mail shall be completed upon deposit of the notice enclosed in a postpaid, properly addressed wrapper in a post office or official depository under the exclusive care and custody of the United States Post Office Department.

(f) The clerk of superior court shall docket, record, and index all proceedings pursuant to this section in the same manner as special proceedings, and shall also enter with the recorded will a notation that the trustee has renounced and a reference to the book and page number, file, or other place where the record may be found. (1967, c. 99.)

**Editor's Note.** — The act adding this section is effective Oct. 1, 1967.

#### ARTICLE 4.

##### *Charitable Trusts.*

#### § 36-19. Trustees to file accounts; exceptions.

Cited in *Greer v. United States*, 448 F.2d 937 (4th Cir. 1971).

#### § 36-20. Action for account; court to enforce trust.

Stated in *Greer v. United States*, 448 F.2d 937 (4th Cir. 1971).

Cited in *YWCA v. Morgan*, 281 N.C. 485, 189 S.E.2d 169 (1972).

#### § 36-21. Not void for indefiniteness; title in trustee; vacancies.

##### **The rule, etc. —**

In accord with 1st paragraph in original. See *Wachovia Bank & Trust Co. v. John Thomasson Constr. Co.*, 275 N.C. 399, 168 S.E.2d 358 (1969).

**Equity Courts May Modify Terms of Charitable Trust.** — Courts in the exercise of

their equitable jurisdiction may modify the terms of a charitable trust when it appears that some exigency, contingency, or emergency not anticipated by the trustor has arisen requiring a disregard of a specific provision of the trust in order to preserve the trust estate or protect



the cestuis. *Wachovia Bank & Trust Co. v. John Thomasson Constr. Co.*, 275 N.C. 399, 168 S.E.2d 358 (1969).

**And May Order Real Property Sold and Reinvested.** — In order to accomplish the ultimate purpose or intent of the trustor, the court may order real property sold and reinvested in other property when a change in circumstances makes such sale necessary to accomplish the purposes of the trust, even though the trust forbids the trustees to mortgage or sell the property. *Wachovia Bank & Trust Co. v. John Thomasson Constr. Co.*, 275 N.C. 399, 168 S.E.2d 358 (1969).

Courts of equity have long exercised the jurisdiction to sell property devised for charitable uses, where, on account of changed conditions, the charity would fail or its usefulness would be materially impaired

without a sale. *Wachovia Bank & Trust Co. v. John Thomasson Constr. Co.*, 275 N.C. 399, 168 S.E.2d 358 (1969).

**Restraints on Alienation of Property Are Not Void.** — North Carolina has tacitly recognized the right of a donor to restrain alienation of property in charitable trusts since it recognizes the right of the court, in its equitable jurisdiction, to order the sale of trust property under certain conditions, even when the trust forbids the trustee to mortgage or sell. *Wachovia Bank & Trust Co. v. John Thomasson Constr. Co.*, 275 N.C. 399, 168 S.E.2d 358 (1969).

Charitable trusts are exceptions to the rule that a restraint on alienation is void. *Wachovia Bank & Trust Co. v. John Thomasson Constr. Co.*, 275 N.C. 399, 168 S.E.2d 358 (1969).

**Quoted** in *Wilson v. First Presbyterian Church*, 284 N.C. 284, 200 S.E.2d 769 (1973).

### § 36-23.1. Gifts, etc., for religious, educational, charitable or benevolent uses or purposes.

The General Assembly acted within its competence in enacting this section. *Banner v. North Carolina Nat'l Bank*, 266 N.C. 337, 146 S.E.2d 89 (1966).

**Cited** in *Wilson v. First Presbyterian Church*, 284 N.C. 284, 200 S.E.2d 769 (1973).

**§ 36-23.2. Charitable Trusts Administration Act.** — (a) If a trust for charity is or becomes illegal, or impossible or impracticable of fulfillment or if a devise or bequest for charity, at the time it was intended to become effective is illegal, or impossible or impracticable of fulfillment, and if the settlor, or testator, manifested a general intention to devote the property to charity, any judge of the superior court may, on application of any trustee, executor, administrator or any interested party, or the Attorney General, order an administration of the trust, devise or bequest as nearly as possible to fulfill the manifested general charitable intention of the settlor or testator. In every such proceeding, the Attorney General, as representative of the public interest, shall be notified and given an opportunity to be heard. This section shall not be applicable if the settlor or testator has provided, either directly or indirectly, for an alternative plan in the event the charitable trust, devise or bequest is or becomes illegal, impossible or impracticable of fulfillment. However, if the alternative plan is also a charitable trust or devise or bequest for charity and such trust, devise or bequest for charity fails, the intention shown in the original plan shall prevail in the application of this section.

(a1) In the case of a will executed before September 21, 1974, or a trust created before such date, if a federal estate tax deduction is not allowable at the time of a decedent's death because of the failure of an interest in property which passes from the decedent to a person, or for a use, described in section 2055(a) of the Internal Revenue Code of 1954, to meet the requirements of subsection 2055(e)(2)(A) of the Internal Revenue Code of 1954, then in order that such deduction shall nevertheless be allowable under section 2055(e)(3) of the Internal Revenue Code of 1954, any judge of the superior court may, on application of any trustee, executor, administrator or any interested party and either (i) with the written consent of the charitable remaindermen, the beneficiaries of the intervening interest not under any legal disability, and duly appointed guardians or guardians ad litem acting on behalf of any beneficiaries under legal disability, or (ii) upon a finding that the interest of such beneficiaries



is substantially preserved, order an amendment to the trust so that the remainder interest is in a trust which is a charitable remainder annuity trust, a charitable remainder unitrust (as those terms are described in section 664 of the Internal Revenue Code of 1954) or a pooled-income fund (as that term is described in section 642(c)(5) of the Internal Revenue Code of 1954). In every such proceeding, the Attorney General, as representative of the public interest, shall be notified and given an opportunity to be heard.

(b) The words "charity" and "charitable," as used in this section shall include, but shall not be limited to, any eleemosynary, religious, benevolent, educational, scientific, or literary purpose.

(c) The words "impracticable of fulfillment," as used in this section shall include, but shall not be limited to, the failure of any trust for charity, testamentary or inter vivos, (including, without limitation, trusts described in section 509 of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws and charitable remainder trusts described in section 664 of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws) to include, if required to do so by section 508(e) or section 4947(a) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws, the provisions relating to governing instruments set forth in section 508(e) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws. (1967, c. 119; 1971, c. 1136, s. 2; 1975, c. 552.)

**Editor's Note.** — The act adding this section is effective Oct. 1, 1967.

The 1971 amendment added subsection (c).

The 1975 amendment added subsection (a1).

For comment on this section, see 46 N.C.L. Rev. 1020 (1968).

**Section Based on Model Act.** — This section is based largely upon the Model Act Concerning the Administration of Charitable Trusts, Devises and Bequests, which was prepared by the National Conference of Commissioners on Uniform State Laws. Special Report of the General Statutes Commission on Chapter 119, Session Laws 1967.

**It Sanctions and Defines Public Policy.** — It has long been a strong public policy that, if possible, gifts for charitable purposes should not fail because of unforeseen events, but that the courts should assist in carrying out charitable purposes. This section lends statutory sanction and definition to that policy. Special Report of the General Statutes Commission on Chapter 119, Session Laws 1967; *Wachovia Bank & Trust Co. v. Morgan*, 279 N.C. 265, 182 S.E.2d 356 (1971).

**Legislative Intent.** — This section represents an obvious intent on the part of the legislature to invest the superior courts of this State with the power of cy pres. *Wachovia Bank & Trust Co. v. Morgan*, 9 N.C. App. 460, 176 S.E.2d 860 (1970).

**Prior Law.** — Before the passage of this section, the Supreme Court often held that the doctrine of cy pres did not obtain in this State. *Wachovia Bank & Trust Co. v. Morgan*, 9 N.C. App. 460, 176 S.E.2d 860 (1970).

Before 1 October 1967 North Carolina rejected the cy pres doctrine as such, while upholding modification of charitable trusts provisions under the court's general equitable power to supervise trust administration. *Wachovia Bank & Trust Co. v. Morgan*, 279 N.C. 265, 182 S.E.2d 356 (1971).

**Purpose.** — This section will meet the problem which exists when the person who creates a charitable trust, bequest or devise is dead or otherwise unable to modify the gift to meet unforeseen changes in the circumstances. Special Report of the General Statutes Commission on Chapter 119, Session Laws 1967.

**Scope.** — This section applies only to cases of charitable gifts, created by trust or will, which fail, and not to trusts, devises or bequests created for private purposes. Special Report of the General Statutes Commission on Chapter 119, Session Laws 1967.

The application of this section is limited to those cases in which no provision for an alternative plan has been made, and a person creating a charitable trust, bequest or devise is free, as he has always been, to provide for the disposition of the property and prevent the court's having to make the determination. Special Report of the General Statutes Commission on Chapter 119, Session Laws 1967.

This section expressly gives the courts the power to apply the cy pres doctrine to charitable trusts. *YWCA v. Morgan*, 281 N.C. 485, 189 S.E.2d 169 (1972).

**"Cy pres".** — Cy pres, meaning "as near as possible," is the doctrine that equity will, when a charity is originally or later becomes



impossible, inexpedient, or impracticable of fulfillment, substitute another charitable object which is believed to approach the original purpose as closely as possible. *Wachovia Bank & Trust Co. v. Morgan*, 9 N.C. App. 460, 176 S.E.2d 860 (1970).

The cy pres doctrine is the rule which courts of equity use when a gift given for a particular charitable purpose cannot be applied according to the exact intention of the donor. In such cases, the court will direct that the gift be applied as nearly as possible in conformity with the original purpose and intent of the testator. Cy pres literally means "as near as possible." *Wachovia Bank & Trust Co. v. Morgan*, 279 N.C. 265, 182 S.E.2d 356 (1971).

The cy pres doctrine came into the law of North Carolina in 1967 when this section became effective. *Wilson v. First Presbyterian Church*, 284 N.C. 284, 200 S.E.2d 769 (1973).

**"Charity" and "Charitable".** — The definition of the words "charity" and "charitable" is not limited to those particular purposes listed in this section. Special Report of the General Statutes Commission on Chapter 119, Session Laws 1967.

A charity may be defined as a gift to be applied consistently with existing laws, for the benefit of an indefinite number of persons, either by bringing their minds or hearts under the influence of education or religion, by relieving their bodies from disease, suffering or constraint, by assisting them to establish themselves in life, or by erecting or maintaining public buildings or works or otherwise lessening the burdens of government. *Wachovia Bank & Trust Co. v. Morgan*, 9 N.C. App. 460, 176 S.E.2d 860 (1970).

**"Charitable Trust".** — A charitable trust has been defined as a fiduciary relationship with respect to property, arising as a result of a manifestation of an intent to create it, and subjecting the person by whom the property is held to equitable duties to deal with the property for a charitable purpose. *YWCA v. Morgan*, 281 N.C. 485, 189 S.E.2d 169 (1972).

Generally, when a trust is created for any lawful purpose which promotes the well-being of mankind and does not contravene public policy, it is charitable in its purpose. *YWCA v. Morgan*, 281 N.C. 485, 189 S.E.2d 169 (1972).

**Limitations on Use of Funds.** — Property conveyed to a trustee for a charitable purpose is limited to the uses set forth in the terms of the trust, and that property conveyed to a charitable corporation, free of a trust, is limited to the purposes set forth in its corporate charter. *YWCA v. Morgan*, 281 N.C. 485, 189 S.E.2d 169 (1972).

**Failure of method designed by trust for carrying out a general charitable purpose does not destroy the trust.** *Wachovia Bank & Trust*

*Co. v. Morgan*, 9 N.C. App. 460, 176 S.E.2d 860 (1970).

When a definite charity has been created, the failure of the particular mode in which it is to be effectuated does not destroy the trust. *Wachovia Bank & Trust Co. v. Morgan*, 9 N.C. App. 460, 176 S.E.2d 860 (1970).

Where the donation of property for a particular use has failed, that does not destroy a trust. *Wachovia Bank & Trust Co. v. Morgan*, 9 N.C. App. 460, 176 S.E.2d 860 (1970).

**The substantial intention shall not depend on the insufficiency of the formal intention.** *Wachovia Bank & Trust Co. v. Morgan*, 9 N.C. App. 460, 176 S.E.2d 860 (1970).

**And the general intent of the testator must prevail over the particular mode prescribed.** *Wachovia Bank & Trust Co. v. Morgan*, 9 N.C. App. 460, 176 S.E.2d 860 (1970).

**Mode for Administering Trust Must Be Either Impossible or Impracticable.** — In order for this section to apply, the evidence presented must establish that the mode directed by the settlor for administering the trust has become either impossible or impracticable for the reasons asserted in the petition, or because of the facts found by the court. *Wachovia Bank & Trust Co. v. Morgan*, 9 N.C. App. 460, 176 S.E.2d 860 (1970).

**Plenary Authority of Trial Court.** — Where a trial court correctly finds that it is now impossible or impracticable to administer a charitable trust in the manner directed by the settlor's will, the trial court has plenary authority, both inherent and under this section, to order that the trust be administered as nearly as possible thereto so as to fulfill the general charitable intention of the settlor. *Wachovia Bank & Trust Co. v. Morgan*, 9 N.C. App. 460, 176 S.E.2d 860 (1970).

When there is a charitable trust, bequest, or devise evidencing a general charitable intent by the grantor, and the specific, express purpose cannot be fulfilled because of illegality, impossibility or impracticability, this section specifically empowers the court, in the absence of alternate disposition, to modify the trust so as to apply the fund to a purpose as nearly as possible like the originally expressed purpose. *YWCA v. Morgan*, 281 N.C. 485, 189 S.E.2d 169 (1972).

Where the trust provisions no longer serve the intended purpose of providing medical and hospital services to people who cannot afford to pay for such services, and where the will itself contains no alternative plan, the superior court may order an administration of the trust which would as nearly as possible fulfill the general charitable intention of the testatrix. *Wachovia Bank & Trust Co. v. Morgan*, 279 N.C. 265, 182 S.E.2d 356 (1971).



**Superior Court Cannot Modify Every Trust Becoming Impracticable.** — Under the doctrine of this section, the superior court does not have authority to modify every charitable trust when it becomes impracticable to carry out the original purpose of the settlor or testator. *Wilson v. First Presbyterian Church*, 284 N.C. 284, 200 S.E.2d 769 (1973).

**When Power to Modify Is Conferred.** — Power to modify a charitable trust when it becomes impracticable to carry out the original purpose of the settlor or testator is conferred upon the superior court only where the instrument creating the trust, interpreted in the light of all the circumstances known to the

settlor or testator, manifests a "general intention to devote the property to charity." *Wilson v. First Presbyterian Church*, 284 N.C. 284, 200 S.E.2d 769 (1973).

**Equitable Jurisdiction to Supervise Administration of Fund.** — Notwithstanding the impossibility of effectuating a particular method prescribed for carrying out the provisions of a trust, the court will exercise its equitable jurisdiction and supervise the administration of the fund so as to accomplish the purposes expressed in the will. *Wachovia Bank & Trust Co. v. Morgan*, 9 N.C. App. 460, 176 S.E.2d 860 (1970).

**§ 36-23.3. Charitable trusts tax exempt status.** — (a) Notwithstanding any provisions in the laws of this State or in the governing instrument to the contrary unless otherwise decreed by a court of competent jurisdiction (except as provided in subsection (b)), the governing instrument of each trust which is a private foundation described in section 509 of the Internal Revenue Code of 1954 (including each nonexempt charitable trust described in section 4947(a)(1) of the code which is treated as a private foundation) and the governing instrument of each nonexempt split-interest trust described in section 4947(a)(2) of the code (but only to the extent that section 508(e) of the code is applicable to such nonexempt split-interest trust under section 4947(a)(2) of the code) shall be deemed to contain the following provisions: "The trust shall make distributions at such time and in such manner as not to subject it to tax under section 4942 of the code; the trust shall not engage in any act of self-dealing which would subject it to tax under section 4941 of the code; the trust shall not retain any excess business holdings which would subject it to tax under section 4943 of the code; the trust shall not make any investments which would subject it to tax under section 4944 of the code; and the trust shall not make any taxable expenditures which would subject it to tax under section 4945 of the code." With respect to any such trust created prior to January 1, 1970, this subsection (a) shall apply only for its taxable years beginning on or after January 1, 1972.

(b) The trustee of any trust described in subsection (a) may, (i) without judicial proceedings, amend such trust to expressly exclude the application of subsection (a) by executing a written amendment to the trust and filing a duplicate original of such amendment with the Attorney General of the State of North Carolina, and upon filing of such amendment, subsection (a) shall not apply to such trust, or (ii) institute an action in the superior court of North Carolina seeking reformation of the trust instrument pursuant to the authority set forth in G.S. 36-23.2.

(c) All references in this section to the "code" are to the Internal Revenue Code of 1954, and all references in this section to specific sections of the code include corresponding provisions of any subsequent federal tax laws. (1971, c. 1136, s. 4.)

## ARTICLE 5.

### *Uniform Trusts Act.*

#### **§ 36-28. Trustee buying from or selling to self.**



**The purpose of this section** is to clarify and strengthen rules regarding loyalty by a trustee to the interests of his cestuis que trust. *Wachovia Bank & Trust Co. v. Johnston*, 269 N.C. 701, 153 S.E.2d 449 (1967).

**Court May Relieve Trustee of Restriction of This Section.** — Section 36-42, by allowing a court of competent jurisdiction to relieve the trustee of "any or all of the duties and restrictions" placed upon him by this article, gives statutory authority to the court to relieve the trustee of the restriction that he cannot purchase property from the trust. *Wachovia Bank & Trust Co. v. Johnston*, 269 N.C. 701, 153 S.E.2d 449 (1967).

Recognizing and reaffirming the stern rule of equity that a trustee cannot be both vendor and vendee, there are rare and justifiable exceptions when the court, in the exercise of its inherent equitable powers, may authorize a purchase of trust property by the trustee, upon full findings of fact that (1) complete disclosure of all facts was made by the trustee, (2) the sale would materially promote the best interests of the trust and its beneficiaries, and (3) there are no other purchasers willing to pay the same or a greater price than offered by the trustee. *Wachovia Bank & Trust Co. v. Johnston*, 269 N.C. 701, 153 S.E.2d 449 (1967).

### § 36-32. Fiduciaries holding stock or other securities in name of nominee.

— A fiduciary may hold shares of stock or other securities in the name of a nominee without mention of the fiduciary relationship in the instrument representing stock or other securities or in registration records of the issuer thereof; provided that

- (1) The records and all reports or accounts rendered by the fiduciary clearly show the ownership of the stock or other securities by the fiduciary and the facts regarding its holdings, and
- (2) The nominee shall not have possession of the stock or other securities or access thereto except under the immediate supervision of the fiduciary or when such securities are deposited by the fiduciary in a clearing corporation as defined in G.S. 25-8-102(3).

The fiduciary shall be personally liable for any acts or omissions of such nominee in connection with such stock or other securities so held, as if such fiduciary had done such acts or been guilty of such omissions. (1939, c. 197, s. 9; 1945, c. 292; 1973, c. 144; c. 497, s. 1; 1975, c. 121.)

#### Editor's Note. —

The 1975 amendment rewrote this section. The 1975 amendatory act repealed Session Laws 1973, c. 144, and c. 497, s. 1, both of which

amended this section. Because the effect of the two 1973 amendments on each other was unclear, the section was set out twice in the 1973 and 1974 Supplements.

**§ 36-32.1. Bank and trust company assets kept separate; records of securities.** — Every trust company shall keep its trust assets separate and distinct from assets owned by the bank. The books and accounts of the trust company shall at all times show the ownership of all moneys, funds, investments, and property held by the company. Stock or other securities may be kept by the company in either of the following ways:

- (1) All certificates representing the securities of an account may be held separate from those of all other accounts; or
- (2) Certificates representing securities of the same class of the same issuer held for particular accounts may be held in bulk without certification as to ownership attached and, to the extent feasible, certificates of small denomination may be merged into one or more certificates of larger denomination, provided that the trust company, when operating under the method of safekeeping security certificates described in this subdivision shall be subject to such rules and regulations as, in the case of State-chartered institutions, the State Banking Commission and, in the case of national banking associations, the Comptroller of the Currency, may from time to time issue and, upon demand by any person



to whom it has a duty to account, it shall certify in writing the securities held by it for an account. (1973, c. 497, s. 2.)

### § 36-35. Contracts of trustee.

**Protection of Beneficiaries of Charitable Trusts.** — The State as *parens patriae*, through its Attorney General, has the common-law right and power to protect the beneficiaries of charitable trusts and the property to which they are or may be entitled. *Sigmund Sternberger Foundation v. Tannenbaum*, 273 N.C. 658, 161 S.E.2d 116 (1968).

**Enforcement of Gift or Trust.** — Because of the public interest necessarily involved in a

charitable trust or gift to charity and essential to its legal classification as a charity, it is generally recognized that the Attorney General, in his capacity as representative of the State and of the public, is the, or at least a, proper party to institute and maintain proceedings for the enforcement of such a gift or trust. *Sigmund Sternberger Foundation v. Tannenbaum*, 273 N.C. 658, 161 S.E.2d 116 (1968).

### § 36-42. Power of the court.

**Court May Relieve Trustee of Restriction on Purchasing Trust Property.** — This section, by allowing a court of competent jurisdiction to relieve the trustee of "any or all of the duties and restrictions" placed upon him by this article,

gives statutory authority to the court to relieve the trustee of the restriction that he cannot purchase property from the trust. *Wachovia Bank & Trust Co. v. Johnston*, 269 N.C. 701, 153 S.E.2d 449 (1967).

## ARTICLE 6.

### *Uniform Common Trust Fund Act.*

**§ 36-47. Establishment of common trust funds.** — Any bank or trust company duly authorized to act as a fiduciary in this State may establish and maintain one or more common trust funds for the collective investment of funds held in a fiduciary capacity by such bank or trust company hereafter referred to as the "maintaining bank." The maintaining bank may include for the purposes of collective investment in such common trust fund or funds established and maintained by it, funds held in a fiduciary capacity by any other bank or trust company duly authorized to act as a fiduciary, wherever located, which other bank or trust company is hereinafter referred to as the "participating bank."

Provided however, that the relationship between the maintaining bank and the participating bank is (i) the maintaining bank owns, controls or is affiliated with the participating bank or (ii) a bank holding company owns, controls or is affiliated with both the maintaining bank and the participating bank.

For the purposes of this section, a bank or trust company shall be considered to be owned, controlled or affiliated if twenty-five percent (25%) or more of any class of its voting stock is owned by a bank or bank holding company or if twenty-five percent (25%) or more of any class of its voting stock is owned by one person or no more than 10 persons who are the same person or persons who own twenty-five percent (25%) or more of any class of the voting stock of the maintaining bank.

Such common trust funds may include a fund composed solely of funds held under an agency agreement in which the bank or trust company assumes investment discretion and assumes fiduciary responsibility.

Such bank or trust company may invest the funds held by it in any fiduciary



capacity in one or more common trust funds, provided (i) such investment is not prohibited by the instrument, judgment, decree or order creating such fiduciary relationship or amendment thereof; (ii) in the case of co-fiduciaries the written consent of the co-fiduciary is obtained by the bank or trust company; and (iii) that the bank has no interest in the assets of the common trust fund other than as a fiduciary. (1939, c. 200, s. 1; 1973, c. 1276.)

**Editor's Note.—**

The 1973 amendment rewrote the section.

**ARTICLE 7.**

*Life Insurance Trusts.*

**§ 36-53. Interest of trustee as beneficiary of policy sufficient to support inter vivos trust.**

**Formality of Will Not Necessary in Execution of Insurance Trust.** — The mere fact that the proceeds are not payable until the death of the insured does not make a disposition

testamentary. An insurance trust will be upheld even though it has not been executed with the formality necessary to constitute a will. *Ballard v. Lance*, 6 N.C. App. 24, 169 S.E.2d 199 (1969).

**ARTICLE 8.**

*Mutual Trust Investment Companies.*

**§§ 36-62 to 36-66:** Reserved for future codification purposes.

**ARTICLE 9.**

*Testamentary Trustees.*

**§ 36-67. Trustees in wills to qualify and file inventories and accounts.** — Trustees appointed in any will admitted to probate in this State, into whose hands assets come under the provisions of the will, shall first qualify under the laws applicable to executors, and shall file in the office of the clerk of the county where the will is probated inventories of the assets which come into his hands and annual and final accounts thereof, such as are required of executors and administrators. The power of the clerk to enforce the filing and his duties in respect to audit and record shall be the same as in such cases. This section shall not apply to the extent that any will makes a different provision. (1907, c. 804; C. S., s. 51; 1961, c. 519; 1965, c. 1176, s. 1; 1973, c. 1329, s. 4.)

**Editor's Note.** — This section was originally codified as § 28-53. It was transferred to its present position by Session Laws 1973, c. 1329, s. 4, effective Oct. 1, 1975.

Session Laws 1973, c. 1329, originally made effective July 1, 1975, was amended by Session Laws 1975, c. 19, s. 12, so as to make it effective as to estates of decedents dying on and after that date, and by Session Laws 1975, c. 118, so as to change the date to Oct. 1, 1975.

**The trustee's legal existence is derived from the instrument creating the trust, not from**

adminicular proceedings relating to qualification, posting bond, etc. The trustee takes his position by virtue of the donative acts of the grantor and not from the authority of the court. *Lentz v. Lentz*, 5 N.C. App. 309, 168 S.E.2d 437 (1969).

**Valid Conveyance Is Not Made Void by Failure of Trustee to Qualify.** — An otherwise valid conveyance by a testamentary trustee is not made void by reason of his failure to first qualify as now required by this section. *Lentz v. Lentz*, 5 N.C. App. 309, 168 S.E.2d 437 (1969).



There is no requirement that a life tenant must account to the court or to a remainderman. *Godfrey v. Patrick*, 8 N.C. App. 510, 174 S.E.2d 674 (1970).

Effect Must Be Given a Provision in a Will

Which Exempts the Testamentary Trustee from Regular Accountings. — See opinion of Attorney General to Honorable C.G. Smith, 41 N.C.A.G. 757 (1952).



## Chapter 37.

### Allocation of Principal and Income.

#### Article 1.

##### Uniform Principal and Income Act.

Sec.

37-1 to 37-15. [Repealed.]

#### Article 2.

##### Principal and Income Act of 1973.

37-16. Short title.

37-17. Definitions.

37-18. Duty of trustee or personal representative as to receipts and expenditures.

37-19. Income; principal; charges.

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37-40. Application of Article.

#### ARTICLE 1.

##### *Uniform Principal and Income Act.*

§§ 37-1 to 37-15: Repealed by Session Laws 1973, c. 729, s. 3, effective January 1, 1974.

#### ARTICLE 2.

##### *Principal and Income Act of 1973.*

§ 37-16. **Short title.** — This Article may be cited as the Principal and Income Act of 1973. (1973, c. 729, s. 2.)

**Editor's Note.** — Session Laws 1973, c. 729, s. 4, makes the act effective Jan. 1, 1974.

§ 37-17. **Definitions.** — (a) As used in this Article:

- (1) "Income beneficiary" means the person to whom income is presently payable or for whom it is accumulated for distribution as income.
- (2) "Inventory value" means the cost of property purchased by the trustee and the market value of other property at the time it became subject to the trust, but in the case of a testamentary trust the trustee may use any value finally determined for the purposes of an estate or inheritance tax.
- (3) "Personal representative" shall include executor, any successor executor, administrator of intestate estates, administrator c.t.a., successor administrator, collector, or any fiduciary appointed to administer or conserve an estate.
- (4) "Remainderman" means the person entitled to principal, including income which has been accumulated and added to principal.



- (5) "Trustee" means an original trustee and any successor or added trustee and, where applicable, the personal representative of a decedent's estate.
- (6) "Trust" includes, where applicable, a decedent's estate whether testate or intestate.
- (7) "Tax" includes any interest or penalty thereon except where such interest or penalty is separately provided for in this Article. (1973, c. 729, s. 2.)

**§ 37-18. Duty of trustee or personal representative as to receipts and expenditures.** — (a) A trust or a decedent's estate shall be administered with due regard to the respective interests of income beneficiaries and remaindermen. A trust or a decedent's estate is so administered with respect to the allocation of receipts and expenditures if a receipt is credited or an expenditure is charged to income or principal or partly to each:

- (1) In accordance with the terms of the trust instrument or will, notwithstanding contrary provisions of this Article; or
- (2) In the absence of any contrary terms of the trust instrument or will, in accordance with the provisions of this Article; or
- (3) If neither of the preceding rules of administration is applicable, in accordance with what is reasonable and equitable in view of the interests of those entitled to income as well as of those entitled to principal, and in view of the manner in which men of ordinary prudence, discretion and judgment would act in the management of their own affairs.

(b) If the trust instrument or will gives the trustee or personal representative discretion in crediting a receipt or charging an expenditure to income or principal or partly to each, no inference of imprudence, partiality or abuse of discretion arises from the fact that the trustee or personal representative has made an allocation contrary to a provision of this Article.

(c) The exercise of powers of allocation of receipts and expenditures contained in or incorporated by reference to G.S. 32-27(29) in wills dated prior to January 1, 1974, shall continue to be valid. (1973, c. 729, s. 2; 1975, c. 637, s. 4.)

**Editor's Note.** — The 1975 amendment added subsection (c).

**§ 37-19. Income; principal; charges.** — (a) Income is the return in money or property derived from the use of principal, including return received as:

- (1) Rent of real or personal property, including sums received for cancellation or renewal of a lease;
- (2) Interest on money lent, including sums received as consideration for the privilege of prepayment of principal, except as provided in G.S. 37-23 with respect to bond premium;
- (3) Income earned during administration of a decedent's estate as provided in G.S. 37-21;
- (4) Corporate distributions as provided in G.S. 37-22;
- (5) Accrued increment on bonds or other obligations issued at discount, as provided in G.S. 37-23;
- (6) Receipts from business and farming operations, as provided in G.S. 37-27;
- (7) Receipts from disposition of natural resources, as provided in G.S. 37-25 and G.S. 37-26, and receipts from other principal subject to depletion, as provided in G.S. 37-27; or
- (8) Receipts from disposition of underproductive property as provided in G.S. 37-28.



(b) Principal is the property which has been set aside by the owner or the person legally empowered so that it is held to be delivered eventually to a remainderman while the return or use of the principal is in the meantime taken or received by or held for accumulation for an income beneficiary. Principal includes:

- (1) Consideration received by the trustee or personal representative on the sale or other transfer of principal or on repayment of a loan or as a refund or replacement or change in the form of principal;
- (2) Proceeds of property taken in eminent domain proceedings;
- (3) Proceeds of insurance upon property forming part of the principal except proceeds of insurance upon a separate interest of an income beneficiary;
- (4) Certain stock dividends, receipts on liquidation of a corporation, and other corporate distributions, as provided in G.S. 37-22;
- (5) Amortization of premium and certain receipts from the disposition of securities, as provided in G.S. 37-23;
- (6) Royalties and other receipts from disposition of natural resources, as provided in G.S. 37-25 and G.S. 37-26, and receipts from other principal subject to depletion provided in G.S. 37-27;
- (7) Any profit resulting from any change in the form of principal except as provided in G.S. 37-28 on underproductive property;
- (8) Receipts from disposition of underproductive property as provided in G.S. 37-28; and
- (9) Any allowances for depreciation established under G.S. 37-24 and G.S. 37-27.

(c) After determining income and principal in accordance with this Article, the trustee or personal representative shall charge expenses and other charges to income or principal as provided in G.S. 37-21 and G.S. 37-29 through G.S. 37-39. (1973, c. 729, s. 2.)

**§ 37-20. When right to income arises; apportionment of income.** — (a) An income beneficiary is entitled to income for the period beginning on the date specified in the trust instrument or will, or, if no date is specified, on the date an asset becomes subject to the trust or on the date [day] after the date of the decedent's death and ending on the date the income interest of the beneficiary terminates. In the case of an asset becoming subject to a trust by reason of a will, it becomes subject to the trust as of the date of the death of the testator even though there is an intervening period of administration of the testator's estate.

(b) In the administration of a decedent's estate or when an asset becomes subject to a trust by reason of a will:

- (1) Receipts due but not paid at the date of death are principal; and
- (2) Receipts in the form of periodic payments (other than corporate distributions to stockholders and receipts incident to the operation of a trade or business), including rent, interest or annuities, not due at the date of death shall be treated as accruing day to day. That portion of any receipt accruing on or before the date of death is principal, and the balance is income.

(c) On termination of an income interest, the income beneficiary whose interest is terminated, or his estate, is entitled to:

- (1) Income undistributed on the date of termination;
- (2) Income due but not paid to the trustee or personal representative on the date of termination; and
- (3) Income in the form of periodic payments (other than corporate distributions to stockholders and receipts incident to the operation of a trade or business), including rent, interest, or annuities, not due on



the date of termination, accrued, on a day-to-day basis, on or before the date of termination.

(d) In the administration of a decedent's estate or when an asset becomes subject to a trust, income defined in G.S. 37-24 for the period ending on the date of death or when the asset becomes subject to a trust is principal.

(e) Corporate distributions to stockholders shall be treated as due on the day fixed by the corporation for determination of stockholders of record entitled to distribution or, if no date is fixed, on the date of declaration of the distribution by the corporation.

(f) In all other cases any receipt from an income-producing asset is income as of the date of receipt even though it was earned or accrued in whole or in part before or after such date. (1973, c. 729, s. 2; 1975, c. 637, s. 2.)

**Editor's Note.** — The 1975 amendment inserted "the date after" near the end of the first sentence of subsection (a) and inserted "on or" in the second sentence of subdivision (b)(2).

**§ 37-21. Income earned and expenses incurred during administration of a decedent's estate.** — (a) Unless the will otherwise provides or the court otherwise directs:

- (1) All expenses incurred in connection with the administration and settlement of a decedent's estate (other than expenses of management and operation of the estate property), including debts, funeral and burial expenses, death taxes, penalties concerning death taxes, and family allowances, shall be charged against the principal of the estate; and
- (2) Compensation of attorneys and personal representatives and court costs, to the extent they are incurred in the administration and settlement of a decedent's estate, shall be charged against the principal of the estate. All expenses incurred in the management and operation of the estate property shall be charged against principal or income of the estate in accordance with the rules applicable to a trustee under this Article.

(b) Unless the will otherwise provides, or the court otherwise directs, income from the assets of a decedent's estate after the death of the decedent and before distribution, including income from property used to discharge liabilities, shall be determined in accordance with the rules applicable to a trustee under this Chapter and distributed as follows:

- (1) To specific legatees and devisees, the income from the property bequeathed or devised to them respectively, less taxes, ordinary repairs and other expenses of management and operation of the property, and appropriate portions of interest expense accrued since the death of the decedent and taxes imposed on income (excluding taxes chargeable against principal) which accrue during the period of administration;
- (2) To all other legatees and devisees (except legatees of pecuniary bequests not in trust) and to all takers by intestacy, the balance of the income, less the balance of taxes, ordinary repairs and other expenses of management and operation of all property from which the estate is entitled to income, interest expense accrued since the death of the decedent and taxes imposed on income (excluding taxes chargeable against principal) which accrue during the period of administration, in proportion to their respective interests in the undistributed assets of the estate computed at times of distribution on the basis of inventory value.

(c) Income received under subsection (b) by a trustee shall be treated as income of the trust. (1973, c. 729, s. 2; 1975, c. 19, s. 13.)



**Editor's Note.** — The 1975 amendment “and” preceding “family allowances” in corrected an error in the 1973 act by inserting subdivision (1) of subsection (a).

**§ 37-22. Corporate distributions.** — (a) Except as otherwise provided in this section, corporate distributions of shares of the distributing corporation, including distributions in the form of a stock split or stock dividend, are principal. A right to subscribe to shares or other securities issued by the distributing corporation accruing to stockholders on account of their stock ownership and the proceeds of any sale of the right are principal.

(b) Except to the extent that the corporation indicates that some part of a corporate distribution is a settlement of preferred or guaranteed dividends accrued since the trustee or personal representative became a stockholder or is in lieu of an ordinary cash dividend, a corporate distribution is principal if the distribution is pursuant to:

- (1) A call of shares;
- (2) A merger, consolidation, reorganization, or other plan by which assets of the corporation are acquired by another corporation; or
- (3) A total or partial liquidation of the corporation, including any distribution which the corporation indicates is a distribution in total or partial liquidation or any distribution of assets, other than cash, pursuant to a court decree or final administrative order by a government agency ordering distribution of the particular assets.

(c) Except as otherwise provided in this section, distributions made from ordinary income or from realized capital gains by a regulated investment company or by a trust qualifying and electing to be taxed under federal law as a real estate investment trust are income. All other distributions made by the company or trust, whether in the form of cash or an option to take new stock or cash or an option to purchase additional shares, are principal.

(d) Except as provided in subsections (a), (b), and (c), all corporate distributions are income, including cash dividends, distributions of or rights to subscribe to shares or securities or obligations of corporations other than the distributing corporation, and the proceeds of the rights or property distributions. In addition, in the following instances, a distribution is income notwithstanding that it is in shares of the distributing corporation:

- (1) If the distribution is, at the election of any of the shareholders (whether exercised before or after the declaration thereof), payable either in the stock of the distributing corporation or in property;
- (2) If the distribution (or a series of distributions of which such distribution is one) has the result of the receipt of property by some shareholders and an increase in the proportionate interests of other shareholders in the assets or earnings and profits of the distributing corporation;
- (3) If the distribution (or a series of distributions of which such distribution is one) has the result of the receipt of preferred stock by some common shareholders and the receipt of common stock by other common shareholders; or
- (4) If the distribution is with respect to preferred stock, other than an increase in the conversion ratio of convertible preferred stock made solely to take account of a stock dividend or stock split with respect to the stock into which such convertible stock is convertible.

(e) The trustee or personal representative may rely upon any statement of the distributing corporation as to any fact relevant under any provision of this section concerning the source or character of dividends or distributions of corporate assets. (1973, c. 729, s. 2.)



**§ 37-23. Bond premium and discount.** — (a) Bonds or other obligations for the payment of money are principal at their inventory value, except as provided in subsection (b) for discount bonds. No provision shall be made for amortization of bond premiums or for accumulation for discount. The proceeds of sale, redemption, or other disposition of the bonds or obligations are principal.

(b) The increment in value of a bond or other obligation for the payment of money payable at a future time in accordance with a fixed schedule of appreciation in excess of the price at which it was issued is distributable as income. The increment in value is distributable to the beneficiary who was the income beneficiary at the time of increment from the first principal cash available or, if none is available, when realized by sale, redemption, or other disposition. Whenever unrealized increment is distributed as income but out of principal, the principal shall be reimbursed for the increment when realized. (1973, c. 729, s. 2.)

**§ 37-24. Business and farming operations.** — (a) If a trustee or personal representative uses any part of the principal in the continuance of a business of which the settlor or decedent was a sole proprietor or a partner, the net profits of the business, computed in accordance with generally accepted accounting principles for a comparable business, are income. If a loss results in any fiscal or calendar year, the loss falls on principal and shall not be carried into any other fiscal or calendar year for purposes of calculating net income.

(b) Generally accepted accounting principles shall be used to determine income from an agricultural or farming operation, including the raising of animals or the operation of a nursery. (1973, c. 729, s. 2.)

**§ 37-25. Disposition of natural resources.** — (a) If any part of the principal consists of a right to receive royalties, overriding or limiting royalties, working interests, production payments, net profit interests, or other interests in minerals or other natural resources in, on or under land, the receipts from taking the natural resources from the land shall be allocated as follows:

- (1) If received as rent on a lease or extension payments on a lease, the receipts are income.
- (2) If received from a production payment, the receipts are income to the extent of any factor for interest or its equivalent provided in the governing instrument. There shall be allocated to principal the fraction of the balance of the receipts which the unrecovered cost of the production payment bears to the balance owed on the production of payment, exclusive of any factor for interest or its equivalent. The receipts not allocated to principal are income.
- (3) If received as a royalty, overriding or limited royalty, or bonus, or from a working, net profit, or any other interest in minerals or other natural resources, receipts not provided for in the preceding subdivisions of this section shall be apportioned on a yearly basis in accordance with this subdivision whether or not any natural resource was being taken from the land at the time the trust or decedent's estate came into existence. Fifty percent (50%) of the gross receipts attributable to the permanent severance of the natural resources (but not to exceed sixty-six and two-thirds percent ( $66\frac{2}{3}\%$ ) of the net receipts attributable to the permanent severance of the natural resources remaining after payment of all expenses, direct and indirect, computed without allowance for depletion) shall be added to principal as an allowance for depletion. The balance of the gross receipts, after provision therefrom for all expenses, direct and indirect, is income.

(b) If a trustee or personal representative, on January 1, 1974, held an item of depletable property of a type specified in this section, he shall allocate receipts from the property in the manner used before January 1, 1974, but as to all



depletable property acquired after January 1, 1974 by an existing or new trust or decedent's estate, the method of allocation provided herein shall be used.

(c) This section does not apply to timber, water, soil, sod, dirt, turf, or mosses. (1973, c. 729, s. 2.)

**§ 37-26. Timber.** — If any part of the principal consists of land from which merchantable timber may be removed, the receipts from taking the timber from the land shall be allocated in accordance with G.S. 37-18(a) (3). (1973, c. 729, s. 2.)

**§ 37-27. Other property subject to depletion.** — Except as provided in G.S. 37-25 and G.S. 37-26, if the principal consists of tangible or intangible property subject to depletion, including leaseholds, patents, copyrights, royalty rights, and rights to receive payments on a contract for deferred compensation, or other intangible assets of a wasting nature, receipts from the property, not in excess of five percent (5%) per year of its inventory value or of its fair market value at the end of the particular fiscal or calendar year, whichever is greater, are income and the balance is principal. (1973, c. 729, s. 2.)

**§ 37-28. Underproductive property.** — (a) Except as otherwise provided in this section, a portion of the net proceeds of sale of any part of principal which part has not produced an average net income of at least one percent (1%) per year of its inventory value for more than a year (including as income the value of any beneficial use of the property by the income beneficiary) shall be treated as delayed income to which the income beneficiary is entitled as provided in this section. The net proceeds of sale are the gross proceeds received, including the value of any property received in substitution for the property disposed of, less the expenses, including capital gains tax, if any, incurred in disposition and less any carrying charges paid while the property was underproductive.

(b) The sum allocated as delayed income is the difference between the net proceeds and the amount which, had it been invested at simple interest at four percent (4%) per year while the property was underproductive, would have produced the net proceeds. This sum, plus any carrying charges and expenses previously charged against income while the property was underproductive, less any income received by the income beneficiary from the property and less the value of any beneficial use of the property by the income beneficiary, is income, and the balance is principal.

(c) Anything herein to the contrary notwithstanding:

(1) No amount shall be allocated as delayed income under this section on account of the sale of any underproductive part of principal from a trust, when the whole of such principal has produced an average net income of four percent (4%) per annum of its inventory value for each year that the trust principal included such underproductive part;

(2) The sum allocated as delayed income on account of the sale of the underproductive part of the trust principal shall not exceed that amount which is the difference between the actual average net income of the trust principal and that greater amount which would have been produced if the trust principal had yielded four percent (4%) per annum of its inventory value during the years in which the trust contained such underproductive part.

(d) An income beneficiary or his estate is entitled to delayed income under this section as if it accrued from day to day during the time he was a beneficiary.

(e) If principal subject to this section is disposed of by conversion into property which cannot be apportioned easily, including land or mortgages (for example, realty acquired by or in lieu of foreclosure), the income beneficiary is not, on account of such conversion, entitled to any allocation as delayed income under this section; however, the income beneficiary is entitled to the net income



from any property or obligation into which the original principal is converted while the substituted property or obligation is held. (1973, c. 729, s. 2.)

**§ 37-29. Expenses.** — Expenses not included in G.S. 37-30 through G.S. 37-39 shall be charged against income if such expenses are ordinary expenses reasonably incurred in connection with the administration, management or preservation of the trust property; otherwise they shall be charged against principal. (1973, c. 729, s. 2.)

**§ 37-30. Taxes.** — (a) Regularly recurring taxes assessed against any portion of the principal and any tax levied on receipts defined as income under this Article or the trust instrument shall be charged against income.

(b) Any tax levied upon profits, gains or receipts allocated to principal shall be charged against principal notwithstanding denomination of the tax as an income tax by the taxing authority.

(c) If an estate or inheritance tax is levied in respect of a trust in which both an income beneficiary and a remainderman have an interest, any amount apportioned to the trust shall be charged against principal even though the income beneficiary also has rights in the principal. (1973, c. 729, s. 2.)

**§ 37-31. Compensation of trustee.** — (a) Unless the court otherwise directs, one half of the regular compensation of the trustee, whether based on a percentage of principal or income, shall be charged against income, and one half of such compensation shall be charged against principal.

(b) Unless the court otherwise directs, compensation of the trustee other than regular compensation shall be charged against income if the matter primarily concerns the income interest, shall be charged against principal if the matter primarily concerns principal and shall be charged one-half against each if the primary concern cannot readily be determined; provided that compensation computed on principal as an acceptance, distribution or termination fee shall be charged against principal. (1973, c. 729, s. 2.)

**§ 37-32. Court costs and attorneys' fees.** — (a) Unless the court otherwise directs, one half of court costs and attorneys' fees on periodic judicial accountings shall be charged against income and one half shall be charged against principal.

(b) Unless the court otherwise directs, court costs, attorneys' fees and other expenses incurred in any judicial proceeding, other than periodic judicial accountings, shall be charged against income if the matter primarily concerns the income interest and shall be charged against principal if the matter primarily concerns principal and shall be charged one-half against each if the primary concern cannot readily be determined. (1973, c. 729, s. 2.)

**§ 37-33. Management of principal and application of income.** — All expenses reasonably incurred for current management of principal and application of income shall be charged against income; except that the direct costs of investing and reinvesting principal shall be charged against principal. (1973, c. 729, s. 2.)

**§ 37-34. Interest and payments on indebtedness.** — Interest paid by the trustee, including interest on death tax deficiencies, shall be charged against income. Payments on principal of an indebtedness (including a mortgage amortized by periodic payments of principal) shall be charged against principal. (1973, c. 729, s. 2.)

**§ 37-35. Premiums on insurance.** — Premiums on insurance taken upon the interests of the income beneficiary, remainderman, or trustee shall be charged against income. (1973, c. 729, s. 2.)



**§ 37-36. Repairs, improvements, and special assessments.** — (a) Ordinary repairs shall be charged against income.

(b) Expenses, other than ordinary repairs, in connection with the preparation of property for rental or sale, extraordinary repairs, expenditures for capital improvements to principal, and special assessments shall be charged against principal. (1973, c. 729, s. 2.)

**§ 37-37. Depreciation.** — A reasonable allowance for depreciation of property subject to depreciation under generally accepted accounting principles shall be charged against income, but no allowance for depreciation shall be made for that portion of any real property used by a beneficiary as a residence and no allowance for depreciation need be made for any property held by the trustee on January 1, 1974 for which the trustee was not then required to make and was not then making an allowance for depreciation. (1973, c. 729, s. 2.)

**§ 37-38. Spreading charges against income.** — If charges against income are of unusual amount, the trustee may by means of reserves or other reasonable means charge them over a reasonable period of time and withhold from distribution sufficient sums to regularize distributions. (1973, c. 729, s. 2.)

**§ 37-39. Recurring charges; apportionment.** — Regularly recurring charges payable from income shall be apportioned to the same extent and in the same manner that income is apportioned under G.S. 37-20. (1973, c. 729, s. 2.)

**§ 37-40. Application of Article.** — Except as specifically provided in the trust instrument or the will or in this Article, this Article shall apply to any receipt or expense received or incurred after January 1, 1974 by any trust or decedent's estate whether established before or after January 1, 1974 and whether the asset involved was acquired by the trustee before or after January 1, 1974. (1973, c. 729, s. 2.)



## Chapter 38.

### Boundaries.

Sec.

38-3. Procedure.

38-4. Surveys in disputed boundaries.

#### § 38-1. Special proceeding to establish.

##### **Purpose of Processioning. —**

In accord with 2nd paragraph in original. See *Coley v. Morris Tel. Co.*, 267 N.C. 701, 149 S.E.2d 14 (1966).

##### **Effect of Agreement, etc. —**

A boundary line agreement executed by a plaintiff and a defendant is an effective plea in bar to the plaintiff's proceeding to establish the true boundary line between her property and the property of defendant, notwithstanding (1) the plaintiff failed to acknowledge her signature to

the agreement before a notary public and (2) the plaintiff did not know where the line would be located on the ground at the time she signed the agreement. *Smith v. Digh*, 9 N.C. App. 678, 177 S.E.2d 321 (1970).

**Quoted** in *Johnson v. Daughety*, 270 N.C. 762, 155 S.E.2d 205 (1967).

**Cited** in *Gahagan v. Gosnell*, 270 N.C. 117, 153 S.E.2d 879 (1967); *Vail v. Smith*, 1 N.C. App. 498, 162 S.E.2d 78 (1968); *Glen Forest Corp. v. Mensch*, 9 N.C. App. 587, 176 S.E.2d 851 (1970).

#### § 38-2. Occupation sufficient ownership.

**Quoted** in *Johnson v. Daughety*, 270 N.C. 762, 155 S.E.2d 205 (1967).

#### § 38-3. Procedure. — (a) Petition; Summons; Hearing.

**Applicability of Section. —** The procedure prescribed by this section is applicable only in case of a dispute as to the true location of the boundary line between adjoining landowners. *Johnson v. Daughety*, 270 N.C. 762, 155 S.E.2d 205 (1967).

##### **Burden of Proof. —**

In accord with 3rd paragraph in original. See *Coley v. Morris Tel. Co.*, 267 N.C. 701, 149 S.E.2d 14 (1966).

If the plaintiffs are unable to show by the greater weight of evidence the location of the true dividing line at a point more favorable to them than the line as contended by the

defendants, the jury should answer the issue in accord with the contentions of the defendants. *Coley v. Morris Tel. Co.*, 267 N.C. 701, 149 S.E.2d 14 (1966).

##### **Questions of Law and Fact. —**

In accord with original. See *Coley v. Morris Tel. Co.*, 267 N.C. 701, 149 S.E.2d 14 (1966).

**A description contained in a junior conveyance cannot be used** to locate the lines called for in a prior conveyance. The location of the lines called for in the prior conveyance is a question of fact to be ascertained from the description there given. *Coley v. Morris Tel. Co.*, 267 N.C. 701, 149 S.E.2d 14 (1966).

**(b) Appeal to Session. —** Either party may within 10 days after such determination by the clerk serve notice of appeal from the ruling of the clerk determining the said location. When notice of appeal is served it shall be the duty of the clerk to transmit the issues raised before him to the next session of the superior court of the county for trial by a jury, when the question shall be heard *de novo*.

(1971, c. 528, s. 35.)

**Editor's Note. —** The 1971 amendment, effective Oct. 1, 1971, substituted "session" for "term" in the subcatchline and in the second sentence of subsection (b).

As the rest of the section was not changed by the amendment, only subsection (b) is set out.



**§ 38-4. Surveys in disputed boundaries.** — (a) When in any action or special proceeding pending in the superior court the boundaries of lands are drawn in question, the court may, if deemed necessary, order a survey of the lands in dispute, in accordance with the boundaries and lines expressed in each party's titles, and such other surveys as shall be deemed useful.

(b) Surveys pursuant to this section shall be made by one surveyor appointed by the court, unless the court, in its discretion, determines that additional surveyors are necessary. The surveyor or surveyors shall proceed according to the order of the court, and make the surveys and as many plats thereof as shall be ordered.

(c) Upon the request of any party to the action or special proceeding, the court shall call such surveyor or surveyors as the court's witness, and any party to such action or proceeding shall have the privilege of direct examination, cross-examination, and impeachment of such witness. The fact that such witness is called by the court shall not change the weight, effect or admissibility of the testimony of such witness, and upon the request of any party to the suit, the court shall so instruct the jury.

(d) The court shall make an allowance for the fees of the surveyor or surveyors and they shall be taxed as a part of the costs. The court may, in its discretion, require the parties to make a deposit to secure the payment of such fees, and may, in its discretion, provide for the payment of such fees prior to the termination of the suit. (1779, c. 157; 1786, c. 252; R. C., c. 31, s. 119; Code, c. 939; Rev., s. 1504; C. S., s. 364; 1967, c. 33.)

**Editor's Note.** — The 1967 amendment, effective Oct. 1, 1967, rewrote this section.

**Better Practice Is to Order Survey.** — While this section does not require the court to order a survey of the lands in dispute when the boundaries of lands are in question, it is the better practice to do so. *Smother's v. Schlosser*, 2 N.C. App. 272, 163 S.E.2d 127 (1968).

**When Expenses of Surveys Are Taxable as Costs.** — The expense of procuring surveys,

maps, plans, photographs and documents are not taxable as costs unless there is clear statutory authority therefor or they have been ordered by the court. *City of Charlotte v. McNeely*, 281 N.C. 684, 190 S.E.2d 179 (1972).

**Cited in** *York Indus. Center v. Michigan Mut. Liab. Co.*, 271 N.C. 158, 155 S.E.2d 501 (1967).



## Chapter 39. Conveyances.

### Article 1.

#### Construction and Sufficiency.

Sec.

39-1.1. In construing conveyances court shall give effect to intent of the parties.

39-5. Official deed, when official selling or empowered to sell is not in office.

### Article 2.

#### Conveyances by Husband and Wife.

39-7.1. Certain instruments affecting married woman's title not executed by husband validated.

39-13.1. Validation of certain deeds, etc.,

Sec.

executed by married women without private examination.

39-13.2. Married persons under 18 made competent as to certain transactions; certain transactions validated.

39-13.4. Conveyances by husband or wife under deed of separation.

39-13.5. Creation of tenancy by entirety in partition of real property.

### Article 3.

#### Fraudulent Conveyances.

39-23. [Repealed.]

## ARTICLE 1.

### *Construction and Sufficiency.*

#### § 39-1. Fee presumed, though word "heirs" omitted.

##### Editor's Note.—

For case law survey as to real property, see 45 N.C.L. Rev. 964 (1967).

For article on "Doubt Reduction Through Conveyancing Reform — More Suggestions in the Quest for Clear Land Titles," see 46 N.C.L. Rev. 284 (1968).

**Construction of Deed as Imposing Condition Subsequent Is Not Favored.** — The law does not favor a construction of the language contained in a deed which would constitute a condition subsequent unless the intention of the parties to create such a restriction upon the title is clearly manifested. *Mattox v. State*, 280 N.C. 471, 186 S.E.2d 378 (1972).

**A fee upon a condition subsequent is not created unless the grantor expressly reserves the right to reenter or provides for a forfeiture or for a reversion or that the instrument shall be null and void.** *Mattox v. State*, 280 N.C. 471, 186 S.E.2d 378 (1972).

If a deed contains both the apt words to create a condition and an express clause of reentry,

reverter, or forfeiture, an estate on condition subsequent is created. *Mattox v. State*, 280 N.C. 471, 186 S.E.2d 378 (1972).

**Deed Held to Create Fee on Condition Subsequent.** — The words used in a deed "upon condition however," then fully setting out the conditions, followed by a provision that "if and when" the grantee fails to carry out the specified conditions, "the said land shall revert to, and the title shall vest in the grantor, her heirs and assigns, with the same force and effect as if this deed had not been made, executed or delivered," were sufficient to show the grantor intended to create a fee on condition subsequent, and by this language did create such estate. *Mattox v. State*, 280 N.C. 471, 186 S.E.2d 378 (1972).

**Determining Whether Grant Is of Easement Appurtenant or in Gross.** —

In accord with original. See *Gibbs v. Wright*, 17 N.C. App. 495, 195 S.E.2d 40 (1973).

**§ 39-1.1. In construing conveyances court shall give effect to intent of the parties.** — (a) In construing a conveyance executed after January 1, 1968, in which there are inconsistent clauses, the courts shall determine the effect of the instrument on the basis of the intent of the parties as it appears from all of the provisions of the instrument.

(b) The provisions of subsection (a) of this section shall not prevent the application of the rule in *Shelley's case*. (1967, c. 1182.)



**Editor's Note.** — Session Laws 1967, c. 1182, adding this section, is effective Jan. 1, 1968.

For comment on the rule in Shelley's case, see 4 Wake Forest Intra. L. Rev. 132 (1968).

**§ 39-5. Official deed, when official selling or empowered to sell is not in office.** — When a sheriff, coroner, or tax collector, in virtue of his office, sells any real or personal property and goes out of office before executing a proper deed therefor, he may execute the same after his term of office has expired; and when he dies or removes from the State before executing the deed, his successor in office shall execute it. When a sheriff or tax collector dies having a tax list in his hands for collection, and his personal representative or surety, in collecting the taxes, makes sale according to law, his successor in office shall execute the conveyance for the property to the person entitled. (R. C., c. 37, s. 30; Code, s. 1267; 1891, c. 242; Rev., ss. 950, 951; C. S., s. 995; 1971, c. 528, s. 36.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, deleted "constable"

following "coroner" near the beginning of the first sentence.

## **§ 39-6. Revocation of deeds of future interests made to persons not in esse.**

Cited in *Starling v. Taylor*, 1 N.C. App. 287, 161 S.E.2d 204 (1968).

### **§ 39-6.3. Inter vivos and testamentary conveyances of future interests permitted.**

**Contingent interests are transmissible** to executors, and are not lost by the death of the person before the event happens on which they are to vest in possession. *Jernigan v. Lee*, 279 N.C. 341, 182 S.E.2d 351 (1971).

Contingent interests, such as contingent remainders, springing uses, and executory devises may be sold, assigned, transmitted, or devised provided the identity of the persons who will take the estate upon the happening of the contingency be ascertained. *Jernigan v. Lee*, 279 N.C. 341, 182 S.E.2d 351 (1971).

Contingent interests may be assigned both in real and personal estate, and by any mode of conveyance by which they might be transferred had they been vested remainders. *Jernigan v. Lee*, 279 N.C. 341, 182 S.E.2d 351 (1971).

The interest in an executory devise or bequest is transmissible to the heir or executor of one

dying before the happening of the contingency upon which it depends. *Jernigan v. Lee*, 279 N.C. 341, 182 S.E.2d 351 (1971).

**Executory devises are not considered as mere possibilities**, but as certain interests and estates. *Jernigan v. Lee*, 279 N.C. 341, 182 S.E.2d 351 (1971).

**The grantee can take no greater estate than that possessed by his grantor.** *Jernigan v. Lee*, 279 N.C. 341, 182 S.E.2d 351 (1971).

The grantee of a future interest takes it subject to the same conditions or contingencies imposed upon his grantor. *Jernigan v. Lee*, 279 N.C. 341, 182 S.E.2d 351 (1971).

**Applied** in *Duplin County Bd. of Educ. v. Carr*, 15 N.C. App. 690, 190 S.E.2d 653 (1972).

## **ARTICLE 2.**

### ***Conveyances by Husband and Wife.***

## **§ 39-7. Instruments affecting married person's title; joinder of spouse; exceptions.**

### **I. GENERAL CONSIDERATION.**

**Editor's Note.** —

For comment on the enforceability of marital contracts, see 47 N.C.L. Rev. 815 (1969).

**Quoted** in *Heller v. Heller*, 7 N.C. App. 120, 171 S.E.2d 335 (1969).



**§ 39-7.1. Certain instruments affecting married woman's title not executed by husband validated.** — No conveyance, power of attorney, or other instrument affecting the estate, right or title of any married woman in lands, tenements or hereditaments which was executed by such married woman prior to June 8, 1965, shall be invalid for the reason that the instrument was not also executed by the husband of such married woman. (1965, c. 857; 1973, c. 853, s. 1.)

**Editor's Note.** — The 1973 amendment substituted "prior to June 8, 1965" for "after February 6, 1964 and before June 8, 1965."

Session Laws 1973, c. 853, s. 2, provides that the act shall not apply to pending litigation.

**§ 39-13.1. Validation of certain deeds, etc., executed by married women without private examination.** — (a) No deed, contract, conveyance, leasehold or other instrument executed since the seventh day of November, one thousand nine hundred and forty-four, shall be declared invalid because of the failure to take the private examination of any married woman who was a party to such deed, contract, conveyance, leasehold or other instrument.

(b) Any deed, contract, conveyance, lease or other instrument executed prior to February 7, 1945, which is in all other respects regular except for the failure to take the private examination of a married woman who is a party to such deed, contract, conveyance, lease or other instrument is hereby validated and confirmed to the same extent as if such private examination had been taken, provided that this section shall not apply to any instruments now involved in any pending litigation. (1945, c. 73, s. 21<sup>1</sup>/<sub>2</sub>; 1969, c. 1008, s. 1.)

**Editor's Note.** — The 1969 amendment designated the former provisions of this section as subsection (a) and added subsection (b). Section 3 of the amendatory act provides that the act shall not affect pending litigation.

**A contract between a husband and wife to make a joint will was void as to the wife** because it was not executed by her in accordance with § 52-6, and its invalidity was not affected

by the curative statutes, § 52-8 and this section, where both curative statutes were enacted after the rights of the parties under the contract vested upon the death of the husband, and the contract was not "in all other respects regular" except for the failure to privately examine the wife as required by the curative statutes. *Mansour v. Rabil*, 277 N.C. 364, 177 S.E.2d 849 (1970).

**§ 39-13.2. Married persons under 18 made competent as to certain transactions; certain transactions validated.** — (a) Any married person under 18 years of age is authorized and empowered and shall have the same privileges as are conferred upon married persons 18 years of age or older to:

- (1) Waive, release or renounce by deed or other written instrument any right or interest which he or she may have in the real or personal property (tangible or intangible) of the other spouse; or
- (2) Jointly execute with his or her spouse, if such spouse is 18 years of age or older, any note, contract of insurance, deed, deed of trust, mortgage, lien of whatever nature or other instrument with respect to real or personal property (tangible or intangible) held with such other spouse either as tenants by the entirety, joint tenants, tenants in common, or in any other manner.

(1971, c. 1231, s. 1.)

**Editor's Note.** — The 1971 amendment, in subsection (a), substituted "18" for "twenty-one" in the introductory language and in subdivision (2).

As the rest of the section was not affected by the amendment, only subsection (a) is set out.

**Stated** in *Gastonia Personnel Corp. v. Rogers*, 276 N.C. 279, 172 S.E.2d 19 (1970).



**§ 39-13.3. Conveyances between husband and wife.****Editor's Note. —**

For article on joint ownership of corporate securities in North Carolina, see 44 N.C.L. Rev. 290 (1966).

**Quoted in** Council v. Pitt, 272 N.C. 222, 158 S.E.2d 34 (1967).

**§ 39-13.4. Conveyances by husband or wife under deed of separation. —** Any conveyance of real property, or any interest therein, by the husband or wife who have previously executed a valid and lawful deed of separation which authorizes said husband or wife to convey real property or any interest therein without the consent and joinder of the other and which deed of separation or a memorandum of the deed of separation setting forth such authorization is recorded in the county where the land lies, shall be valid to pass such title as the husband or wife may have to his or her grantee, unless an instrument in writing canceling the deed of separation or memorandum thereof and properly executed and acknowledged by said husband and wife is recorded in the office of said register of deeds. The instrument which is registered under this section to authorize the conveyance of an interest in real property or the cancellation of the deed of separation or memorandum thereof shall comply with G.S. 52-6 with respect to a certificate of private examination of the wife. (1959, c. 512; 1973, c. 133.)

**Editor's Note. —** The 1973 amendment rewrote the first sentence and added the second sentence.

**"Free Trader". —** Characterization of a plaintiff as a "free trader" is, in effect, no more than a shorthand description of a woman's

freedom to convey realty under this section. The term is derived from practice under old statutes before 1965 and is currently devoid of legal significance. Britt v. Smith, 6 N.C. App. 117, 169 S.E.2d 482 (1969).

**§ 39-13.5. Creation of tenancy by entirety in partition of real property. —** When either a husband or a wife owns an undivided interest in real property as a tenant in common with some person or persons other than his or her spouse and there occurs an actual partition of the property, a tenancy by the entirety may be created in the husband or wife who owned the undivided interest and his or her spouse in the manner hereinafter provided:

- (1) In a division by cross-deed or deeds, between or among the tenants in common provided that the intent of the tenant in common to create a tenancy by the entirety with his or her spouse in this exchange of deeds must be clearly stated in the granting clause of the deed or deeds to such tenant and his or her spouse, and further provided that whenever the tenant in common is a married woman, the deed or deeds to such tenant and her spouse is signed by them and is acknowledged before a certifying officer who shall make a private examination of the married woman in accordance with G.S. 52-6; or
- (2) In a judicial proceeding for partition. In such proceeding, both spouses have the right to become parties to the proceeding and to have their pleadings state that the intent of the tenant in common is to create a tenancy by the entirety with his or her spouse. The order of partition shall provide that the real property assigned to such tenant and his or her spouse shall be owned by them as tenants by the entirety; provided that whenever the tenant in common is a married woman, the pleading showing her intent to create a tenancy by the entirety is acknowledged before a certifying officer who shall make the private examination of the married woman in accordance with G.S. 52-6. (1969, c. 748, s. 1.)



**Editor's Note.** — Session Laws 1969, c. 748, s. 3, makes the act effective Oct. 1, 1969.

### ARTICLE 3.

#### *Fraudulent Conveyances.*

### § 39-15. Conveyance with intent to defraud creditors void.

#### I. GENERAL CONSIDERATION.

##### **Editor's Note.** —

For a discussion of the constructive trust as a remedy for the defrauded creditor, see 45 N.C.L. Rev. 424 (1967).

Cited in *Pilot Title Ins. Co. v. Northwestern Bank*, 11 N.C. App. 444, 181 S.E.2d 799 (1971).

### § 39-17. Voluntary conveyance evidence of fraud as to existing creditors.

**Holder of Bearer Note Secured by Deed of Trust Held Not Necessary Party.** — Where the note which a deed of trust purports to secure is payable to bearer, the plaintiff alleges it is "a false and fictitious paper-writing" and that the identity of the supposed bearer "remains unknown to plaintiff," the trustee in the deed of trust which purports to secure the payment of such note is a party to the action and has participated actively in its defense, whatever may be the situation where the holder of the indebtedness is named in the deed of trust and known, the holder of the alleged note cannot be deemed a necessary party to the action to set aside the deed of trust which purports to secure it. *Virginia-Carolina Laundry Supply Corp. v. Scott*, 267 N.C. 145, 148 S.E.2d 1 (1966).

#### **Presumptions, etc. —**

The effect of this section is to destroy any presumption of vitiating fraud in the making of a voluntary gift or settlement solely from the indebtedness of the donor or settler, and to make the failure to retain property fully sufficient and available for the satisfaction of creditors a requisite of such presumption. *Hood v. Cobb*, 207 N.C. 128, 176 S.E. 288 (1934); *Virginia-Carolina Laundry Supply Corp. v. Scott*, 267 N.C. 145, 148 S.E.2d 1 (1966).

Even though it is shown that a conveyance by a debtor was voluntary (that is, not for value), the burden of proof is, nevertheless, upon the plaintiff to show that the grantor did not retain property sufficient to pay his debts. *Virginia-Carolina Laundry Supply Corp. v. Scott*, 267 N.C. 145, 148 S.E.2d 1 (1966).

Earlier decisions of the Supreme Court were to the effect that, notwithstanding this section, there was a presumption of fraudulent intent in the case of a voluntary conveyance by a debtor and the burden rested upon the party seeking to uphold the voluntary conveyance to show retention by the grantor of property sufficient to pay his then debts. These cases may no longer

be regarded as correct statements of the law of this jurisdiction with regard to the question of which party must ultimately bear the burden of proof upon the question of retention by the grantor of sufficient property to pay his then existing debts. That burden is now placed upon the party attacking the conveyance. *Virginia-Carolina Laundry Supply Corp. v. Scott*, 267 N.C. 145, 148 S.E.2d 1 (1966).

#### **Evidence of Tax Valuation, etc. —**

If, in order to survive a motion for judgment of nonsuit, the plaintiff must offer evidence sufficient in itself to show that its debtors, the defendant grantors in the deed of trust, did not retain property sufficient to pay their indebtedness to the plaintiff (no other debts being shown in the record), the judgment of nonsuit must be sustained where the only evidence offered by the plaintiff, upon this point, consisted of the tax listings by such defendants of their tangible properties in a particular county. Such tax listings do not negative the possibilities that these defendants, after executing the deed of trust in question, retained, and still retain, bank accounts or other intangible properties in the county or elsewhere, or tangible property, real or personal, located in another county, sufficient to pay the claim of the plaintiff and whatever other indebtedness these defendants may owe. Therefore, the evidence introduced by the plaintiff is not sufficient, alone, to show that the defendant grantors did not retain property sufficient to pay their debts when they executed the deed of trust now under attack. *Virginia-Carolina Laundry Supply Corp. v. Scott*, 267 N.C. 145, 148 S.E.2d 1 (1966).

**Evidence Sufficient to Carry Issue of Intent to Jury.** — Though the ultimate burden of proof rests upon the plaintiff to show either actual intent by the defendant grantors to defraud their creditors or failure by them to retain property sufficient to pay their then existing debts, when the plaintiff introduces an



admission by the defendants that their deed of trust was "voluntary," and introduces evidence that they were then indebted to the plaintiff, which debt has not been paid, this is evidence tending to show an intent to delay, hinder, and

defraud creditors sufficient to carry the case to the jury for its determination of the issue, and a judgment of nonsuit is improperly granted. *Virginia-Carolina Laundry Supply Corp. v. Scott*, 267 N.C. 145, 148 S.E.2d 1 (1966).

§ 39-23: Repealed by Session Laws 1965, c. 700, s. 2, effective at midnight June 30, 1967.

# ARTICLE 4.

## *Voluntary Organizations and Associations.*

### § 39-24. Authority to acquire and hold real estate.

**Stated in** *Goard v. Branscom*, 15 N.C. App. 34, 189 S.E.2d 667 (1972).

# ARTICLE 7.

## *Uniform Vendor and Purchaser Risk Act.*

### § 39-39. Risk of loss.

**Editor's Note.** — For article on options to purchase real property in North Carolina, see 44 N.C.L. Rev. 63 (1965).



## Chapter 40.

### Eminent Domain.

#### Article 1.

##### Right of Eminent Domain.

Sec.

40-2. By whom right may be exercised.

40-5. Condemning land for industrial sidings.

40-7.1. Compensation for taking of water and sewer facilities by political subdivisions.

40-10.1 to 40-10.5. [Reserved.]

#### Article 1A.

##### Proration of Property Tax Liability.

40-10.6. Reimbursement of owner for taxes paid on condemned property.

#### Article 2.

##### Condemnation Proceedings.

40-12.1. Notice of proceedings.

Sec.

40-14. Service where parties unknown.

40-19. Exceptions to report; hearing; appeal; when title vests; restitution.

40-20. Provision for jury trial on exceptions to report.

#### Article 3.

##### Public Works Eminent Domain Law.

40-33. Institution of proceedings; venue; immediate hearing; entry upon land by petitioner.

40-38. Appointment of special master.

## ARTICLE 1.

### *Right of Eminent Domain.*

#### § 40-1. Corporation in this chapter defined.

##### Editor's Note. —

For article on recent developments in North Carolina law of eminent domain, see 48 N.C.L. Rev. 767 (1970). For case law survey as to eminent domain, see 44 N.C.L. Rev. 941, 1003 (1966). For an article urging revision and recodification of North Carolina's eminent domain laws, see 45 N.C.L. Rev. 587 (1967). For note on expansion of definition of "taking" in

eminent domain proceedings, see 47 N.C.L. Rev. 441 (1969).

**Applied** in *City of Durham v. Eastern Realty Co.*, 270 N.C. 631, 155 S.E.2d 231 (1967); *Housing Authority v. Farabee*, 17 N.C. App. 431, 194 S.E.2d 553 (1973); *City of Durham v. Manson*, 21 N.C. App. 161, 204 S.E.2d 41 (1974).

**Cited** in *Public Serv. Co. v. Lovin*, 9 N.C. App. 709, 177 S.E.2d 448 (1970).

**§ 40-2. By whom right may be exercised.** — The right of eminent domain may, under the provisions of this Chapter, be exercised for the purpose of constructing their roads, canals, pipelines originating in North Carolina for the transportation of petroleum products or coal, pipelines and mains originating in North Carolina for the transportation, distribution, or both, of gas, lines of wires, or other works, which are authorized by law and which involve a public use or benefit, by the bodies politic, corporation, or persons following:

(6) The Department of Natural and Economic Resources in the administration of the laws relating to fish and fisheries.

(9) The Board of Transportation, for the purpose of acquiring such land or property as may be necessary for the erection of or additions to any building or buildings for the purpose of housing its offices, shops, garages, for storage of supplies, material or equipment, for housing, caring or providing for prisoners, or for any other purpose necessary in its work, including the administration of the State prison system.

(1973, c. 507, s. 5; c. 1262, s. 86.)



## I. GENERAL CONSIDERATION.

### Editor's Note. —

The first 1973 amendment, effective July 1, 1973, substituted "Board of Transportation" for "State Highway Commission" in subdivision (9).

The second 1973 amendment, effective July 1, 1974, substituted "Department of Natural and Economic Resources" for "department of conservation and development" in subdivision (6).

As the rest of the section was not changed by the amendments only the introductory paragraph and subdivisions (6) and (9) are set out.

For article on recent developments in North Carolina law of eminent domain, see 48 N.C.L. Rev. 767 (1970). For note on public use in North Carolina, see 44 N.C.L. Rev. 1142 (1966).

### Founded on Necessity. —

Public necessity alone justifies governmental taking of private property. *State Highway Comm'n v. Batts*, 265 N.C. 346, 144 S.E.2d 126 (1965).

**Applied** in *North Carolina State Hwy. Comm'n v. Farm Equip. Co.*, 281 N.C. 459, 189 S.E.2d 272 (1972).

**Stated** in *City of Kings Mountain v. Goforth*, 283 N.C. 316, 196 S.E.2d 231 (1973).

**Cited** in *Hughes v. North Carolina State Highway Comm'n*, 2 N.C. App. 1, 162 S.E.2d 661 (1968).

## II. NATURE AND PURPOSE.

The use which will justify the taking of private property under the exercise of the right of eminent domain is the use by or for the government, the general public, or some portion thereof as such, and not the use by or for particular individuals or for the benefit of particular estates. The use, however, may be limited to the inhabitants of a small locality, but the benefit must be in common. *State Highway Comm'n v. Batts*, 265 N.C. 346, 144 S.E.2d 126 (1965).

"Public use," as applied in the exercise of the power of eminent domain, is not capable of a precise definition applicable to all situations. The term is elastic, and keeps pace with changing conditions, since the progressive demands of society and changing concepts of governmental duties and functions are constantly bringing new subjects forward as being for "public use." *State Highway Comm'n v. Batts*, 265 N.C. 346, 144 S.E.2d 126 (1965).

The term "public purposes" is employed in the same sense in the law of taxation and in the law of eminent domain. Thus, if the General Assembly may authorize a State agency to expend public money for the purpose of aiding in the construction of a hospital facility to be leased to and ultimately conveyed to a private agency, it may also authorize the acquisition of

a site for such facility by exercise of the power of eminent domain. *Foster v. North Carolina Medical Care Comm'n*, 283 N.C. 110, 195 S.E.2d 517 (1973).

**Question for Court.** — In any proceeding for condemnation under the sovereign power of eminent domain, what is a public use is a judicial question for ultimate decision by the court as a matter of law, reviewable upon appeal. *State Highway Comm'n v. Batts*, 265 N.C. 346, 144 S.E.2d 126 (1965).

### Scenic Value of Road May Be Considered. —

The scenic value of a road and its necessity as a part of the system of scenic highways for the public may be considered in determining whether taking over the road is for a public or private purpose. *State Highway Comm'n v. Batts*, 265 N.C. 346, 144 S.E.2d 126 (1965).

## III. EXTENT OF POWER.

**Right of Selection As to Route, Quantity, etc., Is Largely Discretionary.** — Where the general power to condemn exists, the right of selection as to route, quantity, etc., is left largely to the discretion of the company or corporation, and does not become the subject of judicial inquiry except on allegations of fact tending to show bad faith on the part of the company or corporation or an oppressive and manifest abuse of the discretion conferred upon them by the law. *Redevelopment Comm'n v. Grimes*, 277 N.C. 634, 178 S.E.2d 345 (1971).

Where an agency has the power of condemnation, the choice of route is primarily in its discretion and will not be reviewed on the ground that another route may have been more appropriately chosen, unless it appears that there has been an abuse of discretion. *Duke Power Co. v. Ribet*, 25 N.C. App. 87, 212 S.E.2d 182 (1975).

The exercise of discretion by the condemnor will not be interfered with on the ground that condemnor acted unreasonably and without justification when there is neither allegation nor evidence that condemnor acted either arbitrarily or capriciously or in a manner constituting an abuse of discretion in the selection of the route to condemn. *Duke Power Co. v. Ribet*, 25 N.C. App. 87, 212 S.E.2d 182 (1975).

## IV. TO WHOM GRANTED.

**Municipalities Operating Water and Sewer Systems.** — This chapter confers the right of eminent domain upon municipalities operating water and sewer systems. If such corporation is unable to agree with a landowner for the purchase of land it needs for such purpose, it may acquire the land, or an easement therein, by following the procedure there set forth. *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).



**V. COMPENSATION ESSENTIAL.****Necessity for Compensation. —**

In the exercise of the sovereign power of eminent domain, private property can be taken only for a public use and upon the payment of just compensation. State Highway Comm'n v. Batts, 265 N.C. 346, 144 S.E.2d 126 (1965).

**Where a landowner has granted a right-of-way over his land, he must look to his contract for compensation**, as it cannot be awarded to him in condemnation proceedings, provided the

contract is valid, and all its conditions have been complied with by the grantee. Feldman v. Transcontinental Gas Pipe Line Corp., 9 N.C. App. 162, 175 S.E.2d 713 (1970).

**The measure of damages** or just compensation to be paid to the landowner is the difference in the fair market value of the land immediately before the taking and the fair market value immediately after the taking of the easement. Duke Power Co. v. Ribet, 25 N.C. App. 87, 212 S.E.2d 182 (1975).

**§ 40-3. Right to enter on and purchase lands.**

**Opinions of Attorney General. —** Mr. James R. Taylor, Executive Director, Statesville Housing Authority, 40 N.C.A.G. 314 (1969).

**Applied in** Duke Power Co. v. Hogan, 16 N.C. App. 622, 192 S.E.2d 657 (1972).

**§ 40-5. Condemning land for industrial sidings. —** Any railroad company doing business in this State, whether such railroad be a domestic or foreign corporation, which has been or shall be ordered by the Utilities Commission to construct an industrial siding as provided in § 62-232, is empowered to exercise the right of eminent domain for such purpose, to condemn property as provided in this chapter, and to acquire such right-of-way as may be necessary to carry out the orders of the Utilities Commission. Whenever it is necessary for any railroad company doing business in this State to cross the street or streets in a town or city in order to carry out the orders of the Utilities Commission, to construct an industrial siding, the power is hereby conferred upon such railroad company to occupy such street or streets of any such town or city within the State: Provided, license so to do be first obtained from the board of aldermen, board of commissioners, or other governing authorities of such town or city. (1911, c. 203; C. S., s. 1709; 1933, c. 134, s. 8; 1941, c. 97, s. 1; 1969, c. 723, s. 1.)

**Editor's Note. —** The 1969 amendment, effective Sept. 15, 1969, substituted "§ 62-232" for "§ 62-45" near the beginning of the section.

**Applied in** North Carolina State Hwy. Comm'n v. Farm Equip. Co., 281 N.C. 459, 189 S.E.2d 272 (1972).

**§ 40-7.1. Compensation for taking of water and sewer facilities by political subdivisions. —** Upon the filing of a petition or complaint in inverse condemnation by a privately owned public utility certificated by the North Carolina Utilities Commission to provide water or sewer service, or both, alleging that a political subdivision of the State has constructed or installed, or threatens to construct or install, duplicating facilities for providing services similar to those provided by said public utility, or upon the filing of a petition by a political subdivision to condemn property and facilities of such a public utility, then the court shall, upon finding (i) that the facilities of the complainant public utility are of such an age, quality of materials, and size of facilities to be readily integrated into the system of said political subdivision, and (ii) that said political subdivision has in effect in the area served by said complainant public utility an ordinance requiring connection of all developed properties to its system, declare the action or threatened action of the political subdivision to be a taking of property for a public use, and shall fix just compensation therefor.

The compensation fixed by a court pursuant to this section shall not exceed the actual original dollar cost of the property of the public utility, less accumulated depreciation using a straight-line method of depreciation. In



diminution of said actual original dollar cost, less accumulated depreciation, the court shall consider the following factors in fixing just compensation:

- (1) The useful value of the property to the political subdivision, considering its age, quality of materials, and degree of compatibility with the system of the political subdivision;
- (2) The amounts of any tap fees, connection fees, or any other payments to defray the cost of construction of the public utility system, if paid by any person other than the public utility or its predecessors in title;
- (3) Any inadequacy of consideration paid for, or any gift of, property for which compensation is sought;
- (4) The reasonable salvage value of property which the public utility has salvaged or which can reasonably be salvaged by the public utility.

Certified copies of pertinent records of the North Carolina Utilities Commission shall be made available to the court upon request in order to aid the court in determining just compensation pursuant to this section. (1975, c. 847, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 847, s. 2, makes the section effective Jan. 1, 1976.

§§ 40-10.1 to 40-10.5: Reserved for future codification purposes.

#### ARTICLE 1A.

##### *Proration of Property Tax Liability.*

#### § 40-10.6. Reimbursement of owner for taxes paid on condemned property.

— A property owner whose property is totally taken in fee simple by any condemning agency (as defined in G.S. 133-7(1)) exercising the power of eminent domain, under this Chapter or any other statute or charter provision, shall be entitled to reimbursement from the condemning agency of the pro rata portion of real property taxes paid which are allocable to a period subsequent to vesting of title in the agency, or the effective date of possession of such real property, whichever is earlier. (1975, c. 439, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 439, s. 2, makes the act effective Jan. 1, 1976.

#### ARTICLE 2.

##### *Condemnation Proceedings.*

#### § 40-11. Proceedings when parties cannot agree.

##### **Cross Reference.** —

As to application of this Article to condemnation by counties, see § 153A-159.

##### **Editor's Note.** —

For an article urging revision and recodification of North Carolina's eminent domain laws, see 45 N.C.L. Rev. 587 (1967).

**Applicability of Procedure under Article.** — The procedure prescribed by this Article was applicable to condemnation proceedings instituted by the Board of Transportation prior to July 1, 1960. The procedure presently applicable to condemnation proceedings by the

Board of Transportation is prescribed by § 136-103 et seq. *City of Kings Mountain v. Goforth*, 283 N.C. 316, 196 S.E.2d 231 (1973).

##### **Proceedings Instituted, etc.** —

This section provides that before the right of eminent domain accrues to the condemnor thereunder, there must exist an inability to agree for the purchase price. This has been held to be a preliminary jurisdictional fact in eminent domain proceedings under this chapter. *State Highway Comm'n v. Matthis*, 2 N.C. App. 233, 163 S.E.2d 35 (1968).



**Landowner may not maintain proceeding under this chapter unless there has been a taking** under the power of eminent domain. *Hughes v. North Carolina State Highway Comm'n*, 275 N.C. 121, 165 S.E.2d 321 (1969).

**When Condemnor Acquires Right to Possession.** — A condemnor acquires no right to possession, in a condemnation proceeding under this article, until it pays into court the value of the subject property as determined by appraisers. *City of Kings Mountain v. Goforth*, 283 N.C. 316, 196 S.E.2d 231 (1973).

**And Title.** — A condemnor acquires no title to the property until it obtains a final judgment and pays to the landowner the amount of compensation fixed by such judgment. *City of Kings Mountain v. Goforth*, 283 N.C. 316, 196 S.E.2d 231 (1973).

**Absent unusual circumstances, the landowner may continue to use his property** from the commencement of a condemnation proceeding under this Article until the payment into court by the condemnor of the value of the property as determined by commissioners to the same extent and in the same manner in which he had been using it prior to the commencement of the condemnation proceeding. *City of Kings Mountain v. Goforth*, 283 N.C. 316, 196 S.E.2d 231 (1973).

**Land Is Valued as of Date of Taking.** — For the purpose of determining the sum to be paid as compensation for land taken under the right of eminent domain, the value of the land taken should be ascertained as of the date of the taking. *City of Kings Mountain v. Goforth*, 283 N.C. 316, 196 S.E.2d 231 (1973).

**And the land is taken within the meaning of this principle when the proceeding is begun.** *City of Kings Mountain v. Goforth*, 283 N.C. 316, 196 S.E.2d 231 (1973).

**Acquisition of Property by Redevelopment Corporation.** — When a redevelopment corporation, possessing the power of eminent domain under § 160A-512, is unable to agree with

the owner for the purchase of property required for its purposes, the procedure to acquire the property is by a special proceeding as provided in this article, except as modified by the provision of § 160A-515. *Redevelopment Comm'n v. Grimes*, 8 N.C. App. 376, 174 S.E.2d 839 (1970).

**The basic prerequisites to a redevelopment commission's gaining authority to exercise power of eminent domain** are now, and at all times have been, the prerequisite procedures required by this Article, and Chapter 160A, Article 22, with the modifications as now set out in § 160A-515. *Redevelopment Comm'n v. Abeyounis*, 1 N.C. App. 270, 161 S.E.2d 191 (1968).

A redevelopment commission must exercise the power of eminent domain pursuant to Chapter 160A, Article 22, and Chapter 40, Article 2, and in order to invoke this power the redevelopment commission must affirmatively allege compliance with the statutory requirements. *Redevelopment Comm'n v. Grimes*, 277 N.C. 634, 178 S.E.2d 345 (1971).

**A petition to condemn land for urban renewal is sufficient** under the Rules of Civil Procedure to state a claim for relief, where it gives notice of the nature and basis of the petitioners' claim and the type of case brought, and alleges generally the occurrence or performance of the conditions precedent required by Chapter 160A, Article 22, and Chapter 40, Article 2. *Redevelopment Comm'n v. Grimes*, 277 N.C. 634, 178 S.E.2d 345 (1971).

**Applied in** *Carolina Power & Light Co. v. Briggs*, 268 N.C. 158, 150 S.E.2d 16 (1966); *Prestige Realty Co. v. State Highway Comm'n*, 1 N.C. App. 82, 160 S.E.2d 83 (1968); *City of Kings Mountain v. Cline*, 281 N.C. 269, 188 S.E.2d 284 (1972).

**Cited in** *Hughes v. North Carolina State Highway Comm'n*, 2 N.C. App. 1, 162 S.E.2d 661 (1968).

## § 40-12. Petition filed; contains what; copy served.

### Editor's Note. —

For article on recent developments in North Carolina law of eminent domain, see 48 N.C.L. Rev. 767 (1970).

**Strict Construction.** — Statutes prescribing the procedure to condemn lands should be strictly construed. *Redevelopment Comm'n v. Grimes*, 8 N.C. App. 376, 174 S.E.2d 839 (1970).

### What Petition Must Allege. —

In accord with 3rd paragraph in original. See *State Highway Comm'n v. Phillips*, 267 N.C. 369, 148 S.E.2d 282 (1966).

By the very terms of this section the petition must state in detail the nature of the public business and the specific use to which the land

will be put. These allegations are as much jurisdictional in their character as is an allegation of the fact that the petitioner and the respondents have been unable to agree. *Redevelopment Comm'n v. Abeyounis*, 1 N.C. App. 270, 161 S.E.2d 191 (1968); *State Highway Comm'n v. Matthis*, 2 N.C. App. 233, 163 S.E.2d 35 (1968).

In order for a redevelopment commission to establish a right to acquire property by condemnation, the petition must affirmatively show that the provisions of this section and Chapter 160A, Article 22, have been complied with. *Redevelopment Comm'n v. Grimes*, 8 N.C. App. 376, 174 S.E.2d 839 (1970).



**Description of Property, etc. —**

When the condemnor seeks to follow the procedure permitted by statute, his petition must contain a description of the property actually in litigation, and not merely a description of the entire tract. The property must "first be located." *Hughes v. North Carolina State Highway Comm'n*, 275 N.C. 121, 165 S.E.2d 321 (1969).

Ordinarily, proceedings under this chapter are instituted by the condemnor by petition containing an accurate description of the property which it seeks to condemn, thereby placing the landowner on the defendant's side of the indexes and cross-indexes of the public records and furnishing accessible means by which the property may be identified. *Hughes v. North Carolina State Highway Comm'n*, 275 N.C. 121, 165 S.E.2d 321 (1969).

**Landowner Has Right to Answer and a Hearing.** — It is apparent that this section and § 40-16 do not contemplate a perfunctory proceeding, leading automatically to the granting of the petition. They do not contemplate a landowner standing helpless before the demand of a unit of government. He may deny any of the allegations in the petition and is entitled to a hearing before commissioners are appointed to appraise the damages he will sustain if his property is taken. *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).

**Applied in** *Hughes v. North Carolina State Highway Comm'n*, 2 N.C. App. 1, 162 S.E.2d 661 (1968); *Redevelopment Comm'n v. Grimes*, 277 N.C. 634, 178 S.E.2d 345 (1971).

**Cited in** *City of Kings Mountain v. Goforth*, 283 N.C. 316, 196 S.E.2d 231 (1973).

**§ 40-12.1. Notice of proceedings.** — Notice of all proceedings brought hereunder shall be filed with the clerk of superior court of each county in which any part of the real estate is located in the form and manner provided by G.S. 1-116, and the clerk shall index and cross-index this notice as required by G.S. 1-117, provided the clerk shall always index the name of the condemnor in the record of lis pendens and in the judgment docket as required by G.S. 2-42 as the plaintiff and the name of the property owner or property owners as the defendants irrespective of whether the condemning party is the plaintiff or defendant. The filing of such notice shall be constructive notice of the proceeding to any person who subsequently acquires any interest in or lien upon said property, and the condemnor shall take all property condemned under this article free of the claims of any such person. (1969, c. 864.)

**Editor's Note.** — Section 2-42, referred to in this section, was transferred to § 7A-109 by Session Laws 1971, c. 363, s. 6.

**§ 40-14. Service where parties unknown.** — If the person on whom such service of summons and petition is to be made is unknown, or his residence is unknown and cannot by reasonable diligence be ascertained, then such service may be made under the direction of the court, by publishing a notice, stating the time and place within which such person must appear and plead, the object thereof, with a description of the land to be affected by the proceedings, in accordance with the provisions of G.S. 1A-1, Rule 4(j)(9)c. (Code, s. 1944, subsec. 5; Rev., s. 2582; C. S., s. 1718; 1971, c. 1093, s. 18.)

**Editor's Note.** — The 1971 amendment substituted "accordance with the provisions of G.S. 1A-1, Rule 4(j)(9)c" for the language

beginning "a paper, if there be one" and ending "city of Raleigh."

**§ 40-16. Answer to petition; hearing; commissioners appointed.**

**Strict Construction.** — Statutes prescribing the procedure to condemn lands should be strictly construed. *Redevelopment Comm'n v. Grimes*, 8 N.C. App. 376, 174 S.E.2d 839 (1970).

**Pretrial Conference.** — In a condemnation proceeding, the trial court should conduct a pretrial conference where the record shows that the parties have different concepts of what



phase of the matter they were going to try. *Redevelopment Comm'n v. Grimes*, 8 N.C. App. 376, 174 S.E.2d 839 (1970).

**Landowner Has Right to Answer and a Hearing.** — See same catchline in note to § 40-12.

**Where Only Issue of Just Compensation Is Raised.** — Where the answer does not deny the right of the city to acquire the desired easements by condemnation and raises no issue save that of just compensation, the only matter to be determined by the clerk at the initial hearing is the selection and appointment of the commissioners and the fixing of the time and place for their first meeting. *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).

**Where issuable matters are raised, etc.** —

When respondents in a special proceeding to condemn land for urban renewal deny the allegations of the petition, the clerk of superior court has the duty, after notice, to hear the parties and pass upon the disputed matters presented on the record; if the allegations of the petition are found to be true, the clerk must then appoint commissioners to appraise the property and assess damages for the taking. *Redevelopment Comm'n v. Grimes*, 8 N.C. App. 376, 174 S.E.2d 839 (1970).

**Clerk Is to Hold Hearing, etc.** —

In accord with original. See *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).

All motions made before the clerk, other than those grantable as a matter of course or those specifically provided for by law, require notice to the parties affected thereby. *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).

The statutory procedure is designed to provide to the landowner a fair determination of his damages. It would be converted into a farce if it were construed to permit the clerk to appoint commissioners, the commissioners to meet, to determine the damages and report the same to the clerk, and the clerk twenty days later to enter a final judgment, all with no notice whatever to the landowner, other than the

original summons in the proceedings, and all before the time for filing his answer, as extended by the clerk, expired. *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).

**Clerk Has No Authority to Appoint Commissioners Until Controverted Facts Have Been Determined.** — In a special proceeding to condemn land for urban renewal, the clerk of superior court does not have authority to issue an order appointing commissioners of appraisal where respondents deny the allegations of the petition, and the record does not show that after a proper hearing the controverted facts had been determined in favor of petitioner, the clerk's finding that commissioners should be appointed not being a sufficient finding of the controverted facts. *Redevelopment Comm'n v. Grimes*, 8 N.C. App. 376, 174 S.E.2d 839 (1970).

**Effect of Notice of Hearing.** — If the landowner is given notice of the hearing before the clerk, this would, no doubt, be sufficient to charge him with notice of an order entered by the clerk, at such hearing, appointing commissioners and fixing the time and place for their first meeting. In turn, this would charge him with notice of actions of the commissioners at such first meeting, including the adjournment of such meeting to another time and place. *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).

**Appeal from Ruling of Clerk.** — It is only after the clerk of superior court confirms or fails to confirm the report of the commissioners that either party aggrieved by the ruling of the clerk may appeal, and such appeal carries the entire record up for review by the trial judge upon the questions of fact. *Redevelopment Comm'n v. Grimes*, 277 N.C. 634, 178 S.E.2d 345 (1971).

**Applied in** *City of Kings Mountain v. Cline*, 281 N.C. 269, 188 S.E.2d 284 (1972).

**Cited in** *City of Kings Mountain v. Goforth*, 283 N.C. 316, 196 S.E.2d 231 (1973).

## § 40-17. Powers and duties of commissioners.

**Invoking Power of Eminent Domain.** — A redevelopment commission must exercise the power of eminent domain pursuant to Chapter 160A, Article 22, and Chapter 40, Article 2, and in order to invoke this power the redevelopment commission must affirmatively allege compliance with the statutory requirements. *Redevelopment Comm'n v. Grimes*, 277 N.C. 634, 178 S.E.2d 345 (1971).

**A petition to condemn land for urban renewal is sufficient** under the Rules of Civil Procedure to state a claim for relief where it gives notice of the nature and basis of the petitioners' claim and the type of case brought, and alleges generally the occurrence or

performance of the conditions precedent required by Chapter 160A, Article 22, and Chapter 40, Article 2. *Redevelopment Comm'n v. Grimes*, 277 N.C. 634, 178 S.E.2d 345 (1971).

**The method prescribed by this Chapter for arriving at compensation** for condemnation of land for highway purposes is open to the landowner as well as to the Highway Commission (now Board of Transportation). *Hughes v. North Carolina State Highway Comm'n*, 275 N.C. 121, 165 S.E.2d 321 (1969).

**Market Value.** —

In estimating the fair market value of property acquired by eminent domain, all of the capabilities of the property, and all of the uses



to which it may be applied, or for which it is adapted, which affect its value in the market are to be considered, and not merely the condition it is in at the time and the use to which it is then applied by the owner. *City of Statesville v. Bowles*, 6 N.C. App. 124, 169 S.E.2d 467 (1969).

Matters such as the accessibility of property, its slope and elevation, and costs that will be involved for necessary grading and filling are often important factors to be considered in arriving at an opinion as to its value. *City of Statesville v. Bowles*, 6 N.C. App. 124, 169 S.E.2d 467 (1969).

**The use of property in combination with other property may be considered as a basis for awarding damages** if the possibility of combination is so reasonably sufficient and the use so reasonably probable as to affect the market value. *City of Statesville v. Bowles*, 6 N.C. App. 124, 169 S.E.2d 467 (1969).

**Expert Appraisers Should Give Reasons upon Which Opinion of Value Is Based.** — It is proper and in fact desirable that expert real estate appraisers give the reasons upon which they base their opinion as to the fair market value of property immediately before and immediately after a taking for a sanitary sewer line easement. *City of Statesville v. Bowles*, 6 N.C. App. 124, 169 S.E.2d 467 (1969).

**General Benefits.** —

In determining the compensation to be paid to the landowner, account must be taken of benefits to his property from the construction of the proposed improvement. *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).

General benefits are those which arise from the fulfillment of the public object which justified the taking. *State Highway Comm'n v. Mode*, 2 N.C. App. 464, 163 S.E.2d 429 (1968).

**Special Benefits.** — Special benefits are those which arise from the peculiar relation of the land in question to the public improvement. *State Highway Comm'n v. Mode*, 2 N.C. App. 464, 163 S.E.2d 429 (1968).

**Notice to Parties.** —

This statute contemplates notice to the landowner of the meeting of the commissioners at which they are to "hear" his proofs and allegations. *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).

The statutory procedure is designed to provide to the landowner a fair determination of his damages. It would be converted into a farce if it were construed to permit the clerk to appoint commissioners, the commissioners to meet, to determine the damages and report the same to the clerk, and the clerk twenty days later to enter a final judgment, all with no notice whatever to the landowner, other than the original summons in the proceedings, and all

before the time for filing his answer, as extended by the clerk, expired. *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).

If the landowner is given notice of the hearing before the clerk, this would, no doubt, be sufficient to charge him with notice of an order entered by the clerk, at such hearing, appointing commissioners and fixing the time and place for their first meeting. In turn, this would charge him with notice of actions of the commissioners at such first meeting, including the adjournment of such meeting to another time and place. *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).

**Report Failing to Show Hearing.** — A commissioners' report that simply states that the commissioners met on a certain day in the office of the clerk and "subsequently visited the premises of the defendant, and after taking into full consideration the quality and quantity of the land involved, and all inconveniences likely to result to the defendant from the condemnation of said rights-of-way," asserted the damages at zero, does not purport to show any hearing by the commissioners of "the proofs and allegations of the parties," as required both by the statute and by the order of the clerk. *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).

**Additional Burdens.** —

Where a city proposes to lay the sewer and water lines in the right-of-way of a state highway, the owner of the fee in this land is entitled to just compensation for an additional burden beyond that of the original easement for the highway. The laying of a water main or sewer line in the right-of-way of a highway is an additional burden upon the owner of the fee. *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).

**Compensation for Land Containing Stone Deposit.** — See *State Highway Comm'n v. Mode*, 2 N.C. App. 464, 163 S.E.2d 429 (1968).

**Compensation for Land Containing Mineral Deposits.** — See *State Highway Comm'n v. Mode*, 2 N.C. App. 464, 163 S.E.2d 429 (1968).

**Appeal from Ruling of Clerk.** — It is only after the clerk of superior court confirms or fails to confirm the report of the commissioners that either party aggrieved by the ruling of the clerk may appeal, and such appeal carries the entire record up for review by the trial judge upon the questions of fact. *Redevelopment Comm'n v. Grimes*, 277 N.C. 634, 178 S.E.2d 345 (1971).

**Cited in** *City of Kings Mountain v. Cline*, 281 N.C. 269, 188 S.E.2d 284 (1972); *City of Kings Mountain v. Goforth*, 283 N.C. 316, 196 S.E.2d 231 (1973).



**§ 40-18. Form of commissioners' report.**

Cited in *Redevelopment Comm'n v. Grimes*, 277 N.C. 634, 178 S.E.2d 345 (1971); *Kings Mountain v. Cline*, 281 N.C. 269, 188 S.E.2d 284 (1972).

**§ 40-19. Exceptions to report; hearing; appeal; when title vests; restitution.**

— Within 20 days after filing the report the corporation or any person interested in the said land may file exceptions to said report, and upon the determination of the same by the court, either party to the proceedings may appeal to the court during a session, and thence, after judgment, to the Appellate Division. The court or judge on the hearing may direct a new appraisal, modify or confirm the report, or make such order in the premises as to him shall seem right and proper. If the said corporation, at the time of the appraisal, shall pay into court the sum appraised by the commissioners, then and in that event the said corporation may enter, take possession of, and hold said lands, notwithstanding the pendency of the appeal, and until the final judgment rendered on said appeal. And if there shall be no appeal, or if the final judgment rendered upon said petition and proceedings shall be in favor of the corporation, and upon the payment by said corporation of the sum adjudged, together with the costs and counsel fees allowed by the court, into the office of the clerk of the superior court, then and in that event all persons who have been made parties to the proceedings shall be divested and barred of all right, estate and interest in such easement in such real estate during the corporate existence of the corporation aforesaid or if the proceedings have been instituted by such corporation to acquire a fee simple title to such real estate, then all persons who have been made parties to the proceedings shall be divested and barred of all right, title and interest in such real estate. The original of such judgment or a certified copy thereof, such original or certified copy to be under the seal of the court if recorded outside the county in which the court rendering the judgment is located, shall be registered in the county where the land is situated, and the original judgment or a certified copy thereof or a certified copy of the registered instrument may be given in evidence in all actions and proceedings as deeds for land are now allowed to be read in evidence. All real estate acquired by any corporation under and pursuant to the provisions of this Chapter for its purposes shall be deemed to be acquired for the public use. But if the court shall refuse to condemn the land, or any portion thereof, to the use of such corporation, then, and in that event, the money paid into court, or so much thereof as shall be adjudged, shall be refunded to the corporation. And the corporation shall have no right to hold said land not condemned, but shall surrender the possession of the same, on demand, to the owner or owners, or his or their agent or attorney. And the court or judge shall have full power and authority to make such orders, judgments and decrees, and issue such executions and other process as may be necessary to carry into effect the final judgment rendered in such proceedings. If the amount adjudged to be paid the owner of any property condemned under this Chapter shall not be paid within one year after final judgment in the proceeding, the right under the judgment to take the property or rights condemned shall ipso facto cease and determine, but the claimant under the judgment shall still remain liable for all amounts adjudged against him except the consideration for the property. (Code, s. 1946; 1893, c. 148; Rev., s. 2587; 1915, c. 207; C. S., s. 1723; 1951, c. 59, s. 2; 1955, c. 29, s. 1; 1969, c. 44, s. 47; 1971, c. 528, s. 37.)

**Editor's Note.** — The 1969 amendment substituted "appellate division" for "Supreme Court" at the end of the first sentence.

The 1971 amendment, effective Oct. 1, 1971, substituted "during a session" for "at term" near the end of the first sentence.



**Strict Construction.** — The exercise of the power of eminent domain is in derogation of common right, and all laws conferring such power must be strictly construed. *Greensboro-High Point Airport Authority v. Irvin*, 2 N.C. App. 341, 163 S.E.2d 118 (1968).

**Landowner Has Right to File Exceptions and Be Heard.** — The landowner has the right to file exceptions to the report of the commissioners within twenty days after the report is filed. He is entitled to be heard upon his exceptions. *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).

**Clerk to Make Determination, etc. —**

The statutory procedure is designed to provide to the landowner a fair determination of his damages. It would be converted into a farce if it were construed to permit the clerk to appoint commissioners, the commissioners to meet, to determine the damages and report the same to the clerk, and the clerk twenty days later to enter a final judgment, all with no notice whatever to the landowner, other than the original summons in the proceedings, and all before the time for filing his answer, as extended by the clerk, expired. *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).

**Erroneous Transfer from Clerk to Superior Court.** — Although a proceeding to condemn property for urban renewal is erroneously transferred from the clerk to the superior court before the clerk has acted on the exceptions to the commissioners' report, the judge of superior court has full power to consider and determine all matters in controversy as if the cause was originally before him. *Redevelopment Comm'n v. Grimes*, 277 N.C. 634, 178 S.E.2d 345 (1971).

**Temporary possession, pendente lite, subject to removal by final adverse judgment,** is quite different from a final judicial determination that the condemnor is entitled as a matter of right to permanent possession. *Greensboro-High Point Airport Authority v. Irvin*, 2 N.C. App. 341, 163 S.E.2d 118 (1968).

**Title Is Not Divested, etc. —**

In accord with original. See *Greensboro-High Point Airport Authority v. Irvin*, 2 N.C. App. 341, 163 S.E.2d 118 (1968); *City of Kings Mountain v. Goforth*, 283 N.C. 316, 196 S.E.2d 231 (1973).

**Appeal from Ruling of Clerk.** — It is only after the clerk of superior court confirms or fails to confirm the report of the commissioners that either party aggrieved by the ruling of the clerk may appeal, and such appeal carries the entire record up for review by the trial judge upon the questions of fact. *Redevelopment Comm'n v. Grimes*, 277 N.C. 634, 178 S.E.2d 345 (1971).

**Pretrial Conference.** — In a condemnation proceeding, the trial court should conduct a pretrial conference where the record shows that the parties have different concepts of what phase of the matter they were going to try.

*Redevelopment Comm'n v. Grimes*, 8 N.C. App. 376, 174 S.E.2d 839 (1970).

**The counsel fees authorized, etc. —**

With one exception, contained in § 1-209.1, in eminent domain proceedings the court is authorized to tax counsel fees as a part of the costs only for an attorney appointed by the court to appeal for and protect the rights of any party in interest who is unknown or whose residence is unknown. *City of Charlotte v. McNeely*, 281 N.C. 684, 190 S.E.2d 179 (1972).

It is counsel appointed under § 40-24 to which this section refers in providing that a landowner is divested of title when the condemnor pays into court the sum assessed as damages for the taking of his property, together with costs and counsel fees allowed by the court. *City of Charlotte v. McNeely*, 281 N.C. 684, 190 S.E.2d 179 (1972).

**Property Involved in Voluntary Sale as Guide to Value.** — Whether property involved in a voluntary sale is sufficiently similar in nature, location, and condition to the property appropriated by condemnation to admit evidence of its sale and the price paid therefor as a guide to the value of the condemned property, is a question to be determined by the trial judge in the exercise of his sound discretion. *Redevelopment Comm'n v. Denny Roll & Panel Co.*, 273 N.C. 368, 159 S.E.2d 861 (1968).

**The issue as to amount of compensation is for determination de novo by jury trial in the superior court.** *Redevelopment Comm'n v. Smith*, 272 N.C. 250, 158 S.E.2d 65 (1967); *Redevelopment Comm'n v. Denny Roll & Panel Co.*, 273 N.C. 368, 159 S.E.2d 861 (1968).

**Interest from Date Petitioner Entitled to Possession.** — Respondents, in an action to take land under eminent domain, are entitled to interest from the date the petitioner acquires the right to possession and not from the date the proceedings were instituted. *Carolina Power & Light Co. v. Briggs*, 268 N.C. 158, 150 S.E.2d 16 (1966).

**Recordari Properly Denied.** — The landowner must file exceptions to the final report of the commissioners within twenty days after the report is filed, with right to appeal to the superior court at term, and when the landowner files no exceptions and does not appeal from the order of confirmation by the clerk, recordari to the superior court is properly denied when the application therefor merely alleges merit without specifying facts supporting this conclusion, fails to negate laches, and the application is not made to the next succeeding term of the superior court. *Redevelopment Comm'n v. Capehart*, 268 N.C. 114, 150 S.E.2d 62 (1966).

**Denial of Vacation of Confirmation May Not Be Affirmed on Ground Additional Appraisals Will Not Give Recovery.** — The court may not affirm the clerk's denial of a



motion to vacate the judgment of confirmation on the ground that there is no reasonable probability that any additional appraisals, hearings, or trials would result in any recovery on the part of the defendant. Under the statutes, that is not for the court below or for the Supreme Court to determine. That can be determined only by commissioners who are appointed after the notice and hearing contemplated by § 40-16 and who thereupon proceed as directed by § 40-17. *City of Randleman v. Hinshaw*, 267 N.C. 136, 147 S.E.2d 902 (1966).

**Judge has the discretionary power to allow the withdrawal of a deposit** in a condemnation proceeding without prejudice to the withdrawing party to continue further litigation. It is incumbent upon a petitioner, if aggrieved by this order, to object and except thereto. *Public Serv. Co. v. Lovin*, 9 N.C. App. 709, 177 S.E.2d 448 (1970).

**Provision Granting Temporary Possession and Use Not Applicable to Cartway Proceedings.** — The provision in this section,

**§ 40-20. Provision for jury trial on exceptions to report.** — In any action or proceeding by any railroad or other corporation to acquire rights-of-way or real estate for the use of such railroad or corporation, and in any action or proceeding by any city or town to acquire any real property or easements with respect thereto or rights-of-way for streets, any person interested in the land, or the city, town, railroad or other corporation shall be entitled to have the amount of damages assessed by the commissioners or jurors heard and determined upon appeal before a jury of the superior court during a session, if upon the hearing of such appeal a trial by jury be demanded. (1893, c. 148; Rev., s. 2588; C. S., s. 1724; 1957, c. 582; 1971, c. 528, s. 38.)

**Editor's Note.** —

The 1971 amendment, effective Oct. 1, 1971, substituted "during a session" for "in term" near the end of the section.

**Strict Construction.** — The exercise of the power of eminent domain is in derogation of common right, and all laws conferring such power must be strictly construed. *Redevelopment Comm'n v. Abeyounis*, 1 N.C. App. 270, 161 S.E.2d 191 (1968).

**The only question for determination by the jury is the issue of just compensation.** *Redevelopment Comm'n v. Abeyounis*, 1 N.C. App. 270, 161 S.E.2d 191 (1968).

**The issue as to the amount of compensation is for determination de novo by jury trial in the superior court.** *Redevelopment Comm'n v. Smith*, 272 N.C. 250, 158 S.E.2d 65 (1967); *Redevelopment Comm'n v. Denny Roll & Panel Co.*, 273 N.C. 368, 159 S.E.2d 861 (1968).

When either party to a condemnation proceeding appeals to the superior court in term and demands that the damage be determined by a jury, the trial must proceed in the superior court insofar as the question of damages is

which gives the court the authority to give possession and use of land to the condemnor while pending appeal, is not applicable to proceedings to establish a cartway brought under § 136-68 et seq. *Lowe v. Rhodes*, 9 N.C. App. 111, 175 S.E.2d 721 (1970).

**Estoppel to Contest Right to Condemn.** — All questions, except the question of just compensation, were rendered moot by a stipulation which agreed that a city's payment should be treated as if it were the amount of damages assessed by commissioners and paid into the office of the clerk of the superior court under this section. In the face of the stipulation that upon payment of the stipulated sum the city would acquire title, defendants are estopped to contest the city's right to condemn. *City of Kings Mountain v. Cline*, 281 N.C. 269, 188 S.E.2d 284 (1972).

concerned as though no commissioners of appraisal had ever been appointed. In re *Proceedings by City of Greensboro*, 21 N.C. App. 124, 203 S.E.2d 325 (1974).

**Court Enters Judgment, etc.** —

The superior court at term is vested with authority to enter judgment for the landowner for the amount of damages fixed by the verdict of the jury, regardless of whether the same be greater or smaller than the sum originally awarded by the commissioners of appraisal, and regardless of whether the landowner or the condemnor took the appeal. In re *Proceedings by City of Greensboro*, 21 N.C. App. 124, 203 S.E.2d 324 (1974).

**Property Involved in Voluntary Sale as Guide to Value.** — Whether property involved in a voluntary sale is sufficiently similar in nature, location, and condition to the property appropriated by condemnation to admit evidence of its sale and the price paid therefor as a guide to the value of the condemned property, is a question to be determined by the trial judge in the exercise of his sound discretion.



Redevelopment Comm'n v. Denny Roll & Panel Co., 273 N.C. 368, 159 S.E.2d 861 (1968).

Cited in City of Kings Mountain v. Cline, 281 N.C. 269, 188 S.E.2d 284 (1972).

### § 40-24. Attorney for unknown parties appointed; pleadings amended; new commissioners appointed.

#### Counsel fees, etc. —

With one exception, contained in § 1-209.1, in eminent domain proceedings the court is authorized to tax counsel fees as a part of the costs only for an attorney appointed by the court to appeal for and protect the rights of any party in interest who is unknown or whose residence is unknown. City of Charlotte v. McNeely, 281 N.C. 684, 190 S.E.2d 179 (1972).

It is counsel appointed under this section to which § 40-19 refers in providing that a landowner is divested of title when the condemnor pays into court the sum assessed as damages for the taking of his property, together with costs and counsel fees allowed by the court. City of Charlotte v. McNeely, 281 N.C. 684, 190 S.E.2d 179 (1972).

### § 40-26. Change of ownership pending proceeding.

The proceedings by this section are constituted a *lis pendens*. Hughes v. North Carolina State Highway Comm'n, 2 N.C. App. 1, 162 S.E.2d 661 (1968).

Subsequent Purchaser May Recover Compensation. —

In accord with 4th paragraph in original. See City of Kings Mountain v. Goforth, 283 N.C. 316, 196 S.E.2d 231 (1973).

Applied in Hughes v. North Carolina State Highway Comm'n, 275 N.C. 121, 165 S.E.2d 321 (1969).

## ARTICLE 3.

### *Public Works Eminent Domain Law.*

### § 40-30. Title of article.

#### Editor's Note. —

For an article urging revision and

recodification of North Carolina's eminent domain laws, see 45 N.C.L. Rev. 587 (1967).

**§ 40-33. Institution of proceedings; venue; immediate hearing; entry upon land by petitioner. —** Any federal agency, State public body or authorized corporation may institute proceedings hereunder for the acquisition of any real property necessary for any public works project.

Such proceedings may be instituted in the superior court in any county in which any part of the real property or of the proposed public works project is situate. The clerk of the superior court shall cause said proceedings to be heard and determined without delay. All condemnation proceedings shall be preferred cases, and shall be entitled to precedence over all other civil cases.

Upon demand of any party, trial before the superior court judge shall be with a jury. Demand for jury trial shall be made in accordance with the requirements of the Rules of Civil Procedure, G.S. 1A-1.

The petitioner may enter upon the land proposed to be acquired for the purpose of making a survey and of posting any notice thereon which is required by this Article: Provided, that such survey and posting of notice shall be done in such manner as will cause the least possible inconvenience to the owners of the real property. (1935, c. 470, s. 4; 1947, c. 781; 1971, c. 382, s. 1.)

**Editor's Note. —** The 1971 amendment added the third paragraph.

Section 2, c. 382, Session Laws 1971, provides:

"This act shall become effective upon ratification and shall apply to all trials



commenced after that date pursuant to G.S. 40-33." The act was ratified May 14, 1971.  
**Opinions of Attorney General.** — Mr. James

R. Taylor, Executive Director, Statesville Housing Authority, 40 N.C.A.G. 314 (1969).

**§ 40-37. Determination of issues raised by objections; waiver by failure to file; final judgment; guardian ad litem.**

**Discretion of Commissioners.** —

In accord with original. See Philbrook v.

Chapel Hill Housing Authority, 269 N.C. 598, 153 S.E.2d 153 (1967).

**§ 40-38. Appointment of special master.** — The court, at the time of said hearing, shall appoint a special master to fix the amount of damages and compensation for the taking and condemnation of the property described in the petition and the persons entitled thereto, and to report thereon to the court. The special master shall be a disinterested person not related to anyone having an interest in or lien upon the property sought to be condemned. The compensation of said special master shall be fixed by the court. The special master immediately after his appointment shall subscribe to an oath that to the best of his ability he will truly find and return the compensation for the taking and condemnation of the property and the persons entitled thereto. (1935, c. 470, s. 9; 1969, c. 1016.)

**Editor's Note.** — The 1969 amendment rewrote the third sentence.



## Chapter 41.

## Estates.

Sec.

41-2.1. Right of survivorship in bank deposits created by written agreement.

41-2.2. Joint ownership of corporate stock and investment securities.

41-6.1. Meaning of "next of kin."

41-11. Sale, lease or mortgage in case of remainders.

Sec.

41-11.1. Sale, lease or mortgage of property held by a "class," where membership may be increased by persons not in esse.

## § 41-1. Fee tail converted into fee simple.

## I. GENERAL CONSIDERATION.

## Editor's Note. —

For case law survey as to real property, see 45 N.C.L. Rev. 964 (1967).

## "Heirs of their bodies," etc. —

When the term "heirs of the body" is used in its technical sense, it imports a class of persons to take indefinitely in succession, from generation to generation. *Ray v. Ray*, 270 N.C. 715, 155 S.E.2d 185 (1967).

## II. RULE IN SHELLEY'S CASE.

## Editor's Note. —

For case law survey as to the rule in Shelley's case, see 44 N.C.L. Rev. 1036 (1966).

For comment on the rule in Shelley's case, see 4 Wake Forest Intra. L. Rev. 132 (1968).

## Statement of Rule. —

In accord with original. See *Wright v. Vaden*, 266 N.C. 299, 146 S.E.2d 31 (1966).

The rule in Shelley's case says, in substance, that if an estate of freehold be limited to A, with remainder to his heirs, general or special, the remainder, although importing an independent gift to the heirs, as original takers, shall confer the inheritance on A, the ancestor. *Ray v. Ray*, 270 N.C. 715, 155 S.E.2d 185 (1967).

## Nature and Operation, etc. —

The rule in Shelley's case operates as a rule of property without regard to the intent of the grantor or deviser. *Wright v. Vaden*, 266 N.C. 299, 146 S.E.2d 31 (1966).

The rule in Shelley's case applies to personality as well as to realty. *Wright v. Vaden*, 266 N.C. 299, 146 S.E.2d 31 (1966).

Whenever applicable, the rule in Shelley's case applies to both real and personal property in this jurisdiction. *Ray v. Ray*, 270 N.C. 715, 155 S.E.2d 185 (1967).

**Difference between Words of Purchase and Words of Limitation.** — In considering the applicability of the rule in Shelley's case, it is important to draw and constantly keep in mind the difference between words of purchase and words of limitation. *Wright v. Vaden*, 266 N.C. 299, 146 S.E.2d 31 (1966).

When the rule in Shelley's case says that the words "heirs" or the "heirs of the body" of A are words of limitation and not words of purchase, it simply means that "heirs" or the "heirs of the body" refer to and are read in connection with the estate given to A, extending or modifying that estate, and are not taken as describing a group to whom an estate will first attach. *Wright v. Vaden*, 266 N.C. 299, 146 S.E.2d 31 (1966).

## "Heirs" or "Heirs of Body". —

The rule in Shelley's case applies whenever judicial exposition determines that heirs are described, though informally, under a term correctly descriptive of other objects, but stands excluded whenever it determines that other objects are described, though informally, under the term heirs. *Wright v. Vaden*, 266 N.C. 299, 146 S.E.2d 31 (1966).

## III. APPLICATION AND ILLUSTRATIVE CASES.

## Conveyance to One and Heirs, etc. —

A devise to A for life and at her death to the heirs of her body presents a classic case for application of the rule in Shelley's case. *Ray v. Ray*, 270 N.C. 715, 155 S.E.2d 185 (1967).

By a devise to A for life and at her death to the heirs of her body, the rule in Shelley's case, and the doctrine of merger, give A an estate tail which this section converts into a fee simple. *Ray v. Ray*, 270 N.C. 715, 155 S.E.2d 185 (1967).

Where testatrix devised and bequeathed all her property to her daughter during her lifetime and at her death to the "heirs of her body, if any," with further provision that if the daughter should die before testatrix without heirs of the body, the property should go to named collateral kin, the daughter took a fee tail under the rule in Shelley's case, which was converted into a fee simple by this section. *Ray v. Ray*, 270 N.C. 715, 155 S.E.2d 185 (1967).

## Conveyance to One and His Children. —

When the devise is to one for life and after his death to his children or issue, the rule in Shelley's case has no application, unless it manifestly appears that such words are used in



the sense of heirs generally. *Wright v. Vaden*, 266 N.C. 299, 146 S.E.2d 31 (1966).

**The use of the word "children," etc. —**

The word "children" is ordinarily a word of purchase. *Wright v. Vaden*, 266 N.C. 299, 146 S.E.2d 31 (1966).

**"Or Other Lineal Descendants". —** The superadded words "or other lineal descendants

... to have and to hold the same to them and their heirs, executors and administrators absolutely" do not demonstrate that testator contemplated an indefinite succession from generation to generation. *Wright v. Vaden*, 266 N.C. 299, 146 S.E.2d 31 (1966).

## § 41-2. Survivorship in joint tenancy abolished; proviso as to partnership.

### I. GENERAL CONSIDERATION.

**Editor's Note. —** For article on joint ownership of corporate securities in North Carolina, see 44 N.C.L. Rev. 290 (1966).

**Effect on Common Law Application to Joint Bank Accounts. —** See opinion of Attorney

General to Mr. W.C. York, Department of Insurance, 41 N.C.A.G. 352 (1971).

**Applied in** *Jernigan v. Lee*, 9 N.C. App. 582, 176 S.E.2d 899 (1970).

### § 41-2.1. Right of survivorship in bank deposits created by written agreement.

(b) A deposit account established under subsection (a) of this section shall have the following incidents:

- (1) Either party to the agreement may add to or draw upon any part or all of the deposit account, and any withdrawal by or upon the order of either party shall be a complete discharge of the banking institution with respect to the sum withdrawn.
- (2) During the lifetime of both or all the parties, the deposit account shall be subject to their respective debts to the extent that each has contributed to the unwithdrawn account. In the event their respective contributions are not determined, the unwithdrawn fund shall be deemed owned by both or all equally.
- (3) Upon the death of either or any party to the agreement, the survivor, or survivors, becomes the sole owner, or owners, of the entire unwithdrawn deposit subject to the claims of the creditors of the deceased and to governmental rights in that portion of the unwithdrawn deposit which would belong to the deceased had said unwithdrawn deposit been divided equally between both or among all the joint tenants at the time of the death of said deceased.
- (4) Upon the death of one of the joint tenants provided herein the banking institution in which said joint deposit is held shall pay to the legal representative of the deceased, or to the clerk of the superior court if the amount is less than two thousand dollars (\$2,000), the portion of the unwithdrawn deposit made subject to the claims of the creditors of the deceased and to governmental rights as provided in subdivision (3) above, and may pay the remainder to the surviving joint tenant or joint tenants. Said legal representative shall hold the portion of said unwithdrawn deposit paid to him and not use the same for the payment of the claims of the creditors of the deceased or governmental rights unless and until all other personal assets of the estate have been exhausted, and shall then use so much thereof as may be necessary to pay any remaining debts of the deceased or governmental claims. Any part of said unwithdrawn deposit not used for the payment of such debts or charges of administration of the deceased shall, upon the settlement of the estate, be paid to the surviving joint tenant or tenants.

(1969, c. 863; 1973, c. 840; 1975, c. 19, s. 14.)



**Editor's Note. —**

The 1969 amendment inserted, near the beginning of subdivision (4) of subsection (b), "or to the clerk of the superior court if the amount is less than one thousand dollars (\$1,000.00), in accordance with G.S. 28-68."

The 1973 amendment substituted "two thousand dollars (\$2,000)" for "one thousand dollars (\$1,000.00)" in the first sentence of subdivision (4) of subsection (b).

The 1975 amendment deleted "in accordance with G.S. 28-68" following "(\$2,000)," near the beginning of subdivision (4) of subsection (b).

As the rest of the section was not changed by the amendments, only subsection (b) is set out.

For article on joint ownership of corporate securities in North Carolina, see 44 N.C.L. Rev. 290 (1966); 46 N.C.L. Rev. 520 (1968).

For note on joint bank accounts with the right of survivorship in North Carolina, see 46 N.C.L. Rev. 669 (1968).

**Joint Bank Account; Decedent's Share Applied in Payment of Debts; As Basis for Computing Administrator's Bond Required. —** See opinion of Attorney General to Mr. Everitte Barbee, Clerk, Superior Court of Onslow County, 40 N.C.A.G. 23 (1970).

**Unwithdrawn Deposits Which Would Have Belonged to Decedent Are Subject to Computation of Costs of Administration. —** See opinion of Attorney General to Mr. R.J. White, Jr., 42 N.C.A.G. 316 (1973).

**§ 41-2.2. Joint ownership of corporate stock and investment securities. —** (a) In addition to other forms of ownership, shares of corporate stock or investment securities may be owned by a husband and wife as joint tenants with rights of survivorship, and not as tenants in common, in the manner provided in this section.

- (b) (1) A joint tenancy in shares of corporate stock or investment securities as provided by this section shall exist when such shares or securities indicate that they are owned with the right of survivorship, or otherwise clearly indicate an intention that upon the death of either spouse the interest of the decedent shall pass to the surviving spouse.
- (2) Such a joint tenancy may also exist when a broker or custodian holds the shares or securities for the joint tenants and by book entry or otherwise indicates (i) that the shares or securities are owned with the right of survivorship, or (ii) otherwise clearly indicates that upon the death of either spouse, the interest of the decedent shall pass to the surviving spouse. Money in the hands of such broker or custodian derived from the sale of, or held for the purpose of, such shares or securities shall be treated in the same manner as such shares or securities.

(c) Upon the death of a joint tenant his interest shall pass to the surviving joint tenant. The interest of the deceased joint tenant, even though it has passed to the surviving joint tenant, remains liable for the debts of the decedent in the same manner as the personal property included in his estate, and recovery thereof shall be made from the surviving joint tenant when the decedent's estate is insufficient to satisfy such debts.

(d) Nothing herein contained shall be construed to repeal or modify any of the provisions of G.S. 105-2, G.S. 105-11, and G.S. 105-24, relating to the administration of the inheritance tax laws, or any other provisions of the law relating to inheritance taxes. (1967, c. 864, s. 1; 1969, c. 1115, s. 2.)

**Editor's Note. —** Prior to the enactment of Session Laws 1969, c. 1115, effective at midnight June 30, 1969, the provisions of the above section were codified as § 25-8-407.

For article on joint ownership of corporate securities in North Carolina, see 46 N.C.L. Rev. 520 (1968).



### § 41-3. Survivorship among trustees.

Cited in *In re Michal*, 273 N.C. 504, 160 S.E.2d 495 (1968).

### § 41-6. "Heirs" construed to be "children" in certain limitations.

Cited in *Jernigan v. Lee*, 9 N.C. App. 582, 176 S.E.2d 899 (1970).

**§ 41-6.1. Meaning of "next of kin".** — A limitation by deed, will, or other writing, to the "next of kin" of any person shall be construed to be to those persons who would take under the law of intestate succession, unless a contrary intention appears by the instrument. (1967, c. 948.)

### § 41-7. Possession transferred to use in certain conveyances.

**Rule Does Not Apply to Resulting Trust.** — Where the plaintiff cited no North Carolina authority to support the argument that the statute of uses would be operative, and since the general rule is that the statute of uses applies

only to express passive trusts and not to resulting or constructive trusts which arise by operation of law, under North Carolina law a resulting trust would not be executed. *Greer v. United States*, 448 F.2d 937 (4th Cir. 1971).

### § 41-9. Spendthrift trusts.

#### Editor's Note. —

For note on direct restraints on alienation, see 48 N.C.L. Rev. 173 (1969).

Cited in *Swink v. Swink*, 6 N.C. App. 161, 169 S.E.2d 539 (1969).

### § 41-10. Titles quieted.

#### I. GENERAL CONSIDERATION.

**This section is liberally construed.** *York v. Newman*, 2 N.C. App. 484, 163 S.E.2d 282 (1968).

**The beneficial purpose of this section** is to free the land of the cloud resting upon it and make its title clear and indisputable, so that it may enter the channels of commerce and trade unfettered and without the handicap of suspicion. *Resort Dev. Co. v. Phillips*, 278 N.C. 69, 178 S.E.2d 813 (1971).

**The distinction between a suit to remove a cloud upon title and an action to quiet title** under this section is clear. In the old equity action, to remove a cloud upon title to real property, the proceeding was an equitable one and was intended to remove a particular instrument or documentary evidence of title or encumbrance against the title, which was hanging over or threatening a plaintiff's rights therein. In a suit to quiet title to real property under this section, the proceeding is designed and intended to provide a means for determining all adverse claims, equitable or otherwise. It is not limited to a particular instrument, bit of evidence, or encumbrance but is aimed at silencing all adverse claims, documentary or

otherwise. Any action that could have been brought under the old equitable proceeding to remove a cloud upon title may now be brought under the provision of this section. *York v. Newman*, 2 N.C. App. 484, 163 S.E.2d 282 (1968).

**The General Assembly did not include personal property under the provisions of this section.** *Newman Machine Co. v. Newman*, 2 N.C. App. 491, 163 S.E.2d 279 (1968).

**A bill to quiet title or to remove a cloud on title to personal property** may be maintained in equity, in the absence of statutory authorization, where, by reason of exceptional circumstances, there is no adequate remedy at law. *Newman Machine Co. v. Newman*, 275 N.C. 189, 166 S.E.2d 63 (1969).

Even though there is no statute in North Carolina authorizing suits to quiet title to personalty, the Supreme Court adheres to the general rule that such suits may be maintained in equity where, due to exceptional circumstances, there is no adequate remedy at law. *Newman Machine Co. v. Newman*, 275 N.C. 189, 166 S.E.2d 63 (1969).

Since North Carolina has no statute regarding suits in equity to remove cloud or quiet title to



personalty, the Supreme Court applies to such suits the same principles which obtained prior to enactment of this section when title to land was involved. *Newman Machine Co. v. Newman*, 275 N.C. 189, 166 S.E.2d 63 (1969).

**In order to remove a cloud from a title**, it is not necessary to allege and prove that the plaintiff had an estate in or title to the lands in controversy. It is only required that the plaintiff or plaintiffs have such an interest in the lands as to make the claim of the defendants adverse to him or them. *Resort Dev. Co. v. Phillips*, 278 N.C. 69, 178 S.E.2d 813 (1971).

**Title Not Necessarily Put in Issue.** — By suit to remove a cloud from title, a plaintiff does not necessarily put his title in issue. *Resort Dev. Co. v. Phillips*, 278 N.C. 69, 178 S.E.2d 813 (1971).

**For requirements in equity suits to remove cloud and quiet title to realty prior to enactment of this section**, see *Newman Machine Co. v. Newman*, 275 N.C. 189, 166 S.E.2d 63 (1969).

**A declaratory action is an appropriate remedy** to perform the function of the customary action to quiet title. *York v. Newman*, 2 N.C. App. 484, 163 S.E.2d 282 (1968).

**Applied in** *J. Perry Jones Realty, Inc. v. McLamb*, 21 N.C. App. 482, 204 S.E.2d 880 (1974); *Boyce v. McMahan*, 22 N.C. App. 254, 206 S.E.2d 496 (1974).

**Cited in** *Newbern v. Barnes*, 3 N.C. App. 521, 165 S.E.2d 526 (1969); *Mayberry v. Campbell*, 16 N.C. App. 375, 192 S.E.2d 27 (1972).

## II. NATURE AND SCOPE OF REMEDY.

### A. Purpose.

#### In General. —

This section was designed to avoid some of the limitations imposed upon the remedies formerly embraced by a bill of peace or a bill quia timet, and to establish an easy method of quieting titles of land against adverse claims. *Newman Machine Co. v. Newman*, 275 N.C. 189, 166 S.E.2d 63 (1969).

## III. PLEADING AND PRACTICE.

### B. Pleadings.

#### Sufficiency of Bill, etc. —

A complaint alleging that plaintiffs are the owners of a described tract of land by record title and that the State claims an interest therein

by virtue of a specified registered deed, that plaintiffs have a superior title, and that the State's claim constituted a cloud on plaintiff's title is sufficient to state a cause of action to quiet title, and such action may be maintained against the State under the provisions of § 41-10.1. *Williams v. North Carolina State Bd. of Educ.*, 266 N.C. 761, 147 S.E.2d 381 (1966).

A complaint meets the minimum requirements of this section where it alleges that the plaintiffs own the described land and that the defendant claims an interest therein adverse to them. *York v. Newman*, 2 N.C. 484, 163 S.E.2d 282 (1968).

**A cause of action to remove a cloud from title** is made out when the plaintiff introduces evidence that he has an interest in a described tract of land and the defendant is asserting, or attempting to assert, an unjust claim thereto. *Resort Dev. Co. v. Phillips*, 278 N.C. 69, 178 S.E.2d 813 (1971).

**Plaintiff's failure to show fee simple title** to all the lands claimed is not fatal to its case. *Resort Dev. Co. v. Phillips*, 278 N.C. 69, 178 S.E.2d 813 (1971).

**Admission.** — Where the defendants, by answer, admitted that the plaintiff owned an interest in the described lands, but asserted they also had an interest therein, this admission gave the plaintiff standing in court to challenge the defendants' claim as a cloud upon its title. *Resort Dev. Co. v. Phillips*, 278 N.C. 69, 178 S.E.2d 813 (1971).

**The burden rests upon the defendant** to establish a title which he has set up to defeat the complainant's claim of ownership. *Resort Dev. Co. v. Phillips*, 278 N.C. 69, 178 S.E.2d 813 (1971).

When the defendants alleged their title had its origin in a certain grant, from which they and their predecessors derived title, they thereby assumed the burden of locating the calls of the grant on the ground, and of showing that the grant covered at least a part of the lands described in the complaint. *Resort Dev. Co. v. Phillips*, 278 N.C. 69, 178 S.E.2d 813 (1971).

Where the defendants claim by record title, and not by adverse possession, and allege their record title had its genesis in a certain grant, the state of the pleadings casts upon them the burden of tracing their title to that grant. *Resort Dev. Co. v. Phillips*, 278 N.C. 69, 178 S.E.2d 813 (1971).

## § 41-10.1. Trying title to land where State claims interest.

**Sufficiency of Complaint.** — A complaint alleging that plaintiffs are the owners of a described tract of land by record title and that the State claims an interest therein by virtue of a specified registered deed, that plaintiffs have a superior title, and that the State's claim constituted a cloud on plaintiff's title is

sufficient to state a cause of action to quiet title, and such action may be maintained against the State under the provisions of this section. *Williams v. North Carolina State Bd. of Educ.*, 266 N.C. 761, 147 S.E.2d 381 (1966).

**When the title to the property is no longer in question**, plaintiffs may not sue the State for



any further damages. *Mattox v. State*, 21 N.C. App. 677, 205 S.E.2d 364 (1974).

**Applied** in *Roten v. State*, 8 N.C. App. 643, 174 S.E.2d 384 (1970).

**§ 41-11. Sale, lease or mortgage in case of remainders.** — In all cases where there is a vested interest in real estate, and a contingent remainder over to persons who are not in being, or when the contingency has not yet happened which will determine who the remaindermen are, there may be a sale, lease or mortgage of the property by a special proceeding in the superior court, which proceeding shall be conducted in the manner pointed out in this section. Said proceeding may be commenced by summons by any person having a vested interest in the land, and all persons in esse who are interested in said land shall be made parties defendant and served with summons in the way and manner now provided by law for the service of summons in other special proceedings, as provided by Rule 4 of the Rules of Civil Procedure, and service of summons upon nonresidents, or persons whose names and residences are unknown, shall be by publication as now required by law or such service in lieu of publication as now provided by law. In cases where the remainder will or may go to minors, or persons under other disabilities, or to persons not in being, or whose names and residences are not known, or who may in any contingency become interested in said land, but because of such contingency cannot be ascertained, the clerk of the superior court shall, after due inquiry of persons who are in no way interested in or connected with such proceeding, designate and appoint some discreet person as guardian ad litem, to represent such remainderman, upon whom summons shall be served as provided by law for other guardians ad litem, and it shall be the duty of such guardian ad litem to defend such actions, and when counsel is needed to represent him, to make this known to the clerk, who shall by an order give instructions as to the employment of counsel and the payment of fees.

The court shall, if the interest of all parties require or would be materially enhanced by it, order a sale of such property or any part thereof for reinvestment, either in purchasing or in improving real estate, less expense allowed by the court for the proceeding and sale, and such newly acquired or improved real estate shall be held upon the same contingencies and in like manner as was the property ordered to be sold. The court may authorize the loaning of such money subject to its approval until such time when it can be reinvested in real estate. And after the sale of such property in all proceedings hereunder, where there is a life estate, in lieu of said interest or investment of proceeds to which the life tenant would be entitled to, or to the use of, the court may in its discretion order the value of said life tenant's share during the probable life of such life tenant, to be ascertained as now provided by law, and paid out of the proceeds of such sale absolutely, and the remainder of such proceeds be reinvested as herein provided. Any person or persons owning a life estate in lands which are unproductive and from which the income is insufficient to pay the taxes on and reasonable upkeep of said lands shall be entitled to maintain an action, without the joinder of any of the remaindermen or reversioners as parties plaintiff, for the sale of said property for the purpose of obtaining funds for improving other nonproductive and unimproved real estate so as to make the same profit-bearing, all to be done under order of the court, or reinvestment of the funds under the provisions of this section, but in every such action when the rights of minors or other persons not sui juris are involved, a competent and disinterested attorney shall be appointed by the court to file answer and represent their interests. The provisions of the preceding sentence, being remedial, shall apply to cases where any title in such lands shall have been acquired before, as well as after, its passage — March 7, 1927.

The clerk of the superior court is authorized to make all orders for the sale, lease or mortgage of property under this section, and for the reinvestment or



securing and handling of the proceeds of such sales, but no sale under this section shall be held or mortgage given until the same has been approved by the resident judge of the district, or the judge holding the courts of the district at the time said order of sale is made. The approval by the resident judge of the district may be made by him either during a session of court or at chambers. All orders of approval under said statute by judges resident in the district heretofore made either during a session of court or at chambers are hereby ratified and validated.

The court may authorize the temporary reinvestment, pending final investment in real estate, of funds derived from such sale in any direct obligation of the United States of America or any indirect obligation guaranteed both as to principal and interest or bonds of the State of North Carolina issued since the year one thousand eight hundred and seventy-two; but in the event of such reinvestment, the commissioners, trustees or other officers appointed by the court to hold such funds shall hold the bonds in their possession and shall pay to the life tenant and owner of the vested interest in the lands sold only the interest accruing on the bonds, and the principal of the bonds shall be held subject to final reinvestment and to such expense only as is provided in this section. Temporary reinvestments, as aforesaid, in any direct obligation of the United States of America or any indirect obligation guaranteed both as to principal and interest or State bonds heretofore made with the approval of the court of all or a part of the funds derived from such sales are ratified and declared valid.

The court shall, if the interest of the parties require it and would be materially enhanced by it, order such property mortgaged for such term and on such condition as to the court seems proper and to the best interest of the interested parties. The proceeds derived from the mortgage shall be used for the purpose of adding improvements to the property or to remove existing liens on the property as the court may direct, but for no other purpose. The mortgagees shall not be held responsible for determining the validity of the liens, debts and expenses where the court directs such liens, debts and expenses to be paid. In all cases of mortgages under this section the court shall authorize and direct the guardian representing the interest of minors and the guardian ad litem representing the interest of those persons unknown or not in being to join in the mortgage for the purpose of conveying the interest of such person or persons. In all cases of mortgages under this section the owner of the vested interest or his or her legal representative shall within six months from the date of the mortgage file with the court an itemized statement showing how the money derived from the said mortgage has been expended, and shall exhibit to the court receipts for said money. Said report shall be audited in the same manner as provided for the auditing of guardian's accounts. The owner of the vested interest or his or her legal representative shall collect the rents and income from the property mortgaged and apply the proceeds first to taxes and discharge of interest on the mortgage and the annual curtailment as provided thereby, or if said person uses or occupies said premises he or she shall pay the said taxes, interest and curtailments and said party shall enter into a bond to be approved by the court for the faithful performance of the duties hereby imposed, and such person shall annually file with the court a report and receipts showing that taxes, interest and the curtailment as provided by the mortgage have been paid.

The mortgagee shall not be held responsible for the application of the funds secured or derived from the mortgage. The word "mortgage" whenever used herein shall be construed to include deeds in trust. (1903, c. 99; 1905, c. 548; Rev., s. 1590; 1907, cc. 956, 980; 1919, c. 17; C. S., s. 1744; Ex. Sess. 1921, c. 88; 1923, c. 69; 1925, c. 281; 1927, cc. 124, 186; 1933, c. 123; 1935, c. 299; 1941, c. 328; 1943, cc. 198, 729; 1947, c. 377; 1951, c. 96; 1967, c. 954, s. 3; 1971, c. 528, s. 39.)



### I. GENERAL CONSIDERATION.

#### Editor's Note. —

The 1967 amendment, effective Jan. 1, 1970, substituted "Rule 4 of the Rules of Civil Procedure" for "§ 1-94" in the second sentence.

The 1971 amendment, effective Oct. 1, 1971, substituted "during a session of court" for "in term" in the second and third sentences of the third paragraph.

The Rules of Civil Procedure are found in § 1A-1.

Session Laws 1969, c. 803, amended Session Laws 1967, c. 954, s. 10 (originally effective July 1, 1969), so as to make the 1967 act effective Jan. 1, 1970. See Editor's note to § 1A-1.

Cited in *De Lotbiniere v. Wachovia Bank & Trust Co.*, 2 N.C. App. 252, 163 S.E.2d 59 (1968).

**§ 41-11.1. Sale, lease or mortgage of property held by a "class," where membership may be increased by persons not in esse.** — Wherever there is a gift, devise, bequest, transfer or conveyance of a vested estate or interest in real or personal property, or both, to persons described as a class, and at the effective date thereof, one or more members of the class are in esse, and there is a possibility in law that the membership of the class may later be increased by one or more members not then in esse, a special proceeding may be instituted in the superior court for the sale, lease or mortgage of such real or personal property, or both, as provided in this section.

All petitions filed under this section wherein an order is sought for the sale, lease or mortgage of real property, or of both real and personal property, shall be filed in the office of the clerk of the superior court of the county in which all or any part of the real property is situated. If the order sought is for sale, lease or mortgage of personal property, the petition may be filed in the office of the clerk of the superior court of the county in which any or all of such personal estate is situated.

All members of the class in esse shall be parties to the proceeding, and where any of such members are under legal disability, their duly appointed general guardians or their guardians ad litem shall be made parties. The clerk of the superior court shall appoint a guardian ad litem to represent the interests of the possible members of the class not in esse, and such guardian ad litem shall be a party to the proceeding.

Upon a finding by the clerk of the superior court that the interests of all members of the class, both those in esse and those not in esse, would be materially promoted by a sale, lease or mortgage of any such property, he shall enter an order that the sale, lease or mortgage be made, and shall appoint a trustee to make such sale, lease or mortgage, in such manner and on such terms as the clerk may find to be most advantageous to the interests of the members of the class, both those in esse and those not in esse; but no sale, lease or mortgage shall be made, or shall be valid, until approved and confirmed by the resident judge of the district, or the judge holding the courts of the district. As a condition precedent to receiving the proceeds of the sale, lease or mortgage, the trustee shall be bonded in the same manner as a guardian for minors.

In the event of a sale of any such property, the proceeds of sale shall be owned in the identical manner as the property was owned immediately prior to the sale; provided,

- (1) The trustee appointed by the clerk as provided above may hold, manage, invest and reinvest said proceeds for the benefit of all members of the class, both those in esse and those not in esse, until the occurrence of the event which will finally determine the identity of all members of the class; all such investments and reinvestments shall be made in accordance with the laws of North Carolina relating to the investment of funds held by guardians or minors; and all the provisions of G.S. 36-4, relating to the reduction in bonds of guardians or trustees upon investment in certain registered securities and the deposit of the securities with the clerk of the superior court, shall be applicable to the trustee appointed hereunder;



- (2) The clerk by appropriate order, in lieu of holding, managing, investing and reinvesting the proceeds of sale, may pay or authorize the trustee to pay the entire amount of such proceeds to the living members of the class as they may be then constituted or to their duly appointed guardians, or to pay the ratable portion or portions of such proceeds to one or more of such living members or to their guardians; provided that, where the class would be closed by the death of the mother or mothers of the members of the class, said mother or mothers are living and have attained the age of 55, and upon the further condition that there be first filed with the clerk a bond conditioned upon the payment of the lawful share of any member of the class not then in esse, but who may thereafter come into being or otherwise become a member of the class, to such member or his guardian whenever he becomes a living member of the class. Such bond shall be payable to the State to the use of the additional members of the class and shall be either a cash bond or a premium bond executed by a surety company authorized to transact business in North Carolina. The penalty of such bond shall not be less than one and one fourth the amount of the proceeds of sale. Any bond filed hereunder shall be acknowledged before and approved by the clerk of the superior court.

In the event the proceeds of sale shall be paid over to a trustee and invested by him as authorized above, the entire income actually received by the trustee from such investment shall be paid by said trustee periodically, and not less often than annually, in equal shares to the living members of the class as they shall be constituted at the time of each such payment, or to the duly appointed guardians of any such living members under legal disability.

In the event the court orders a lease of the property, the proceeds from the lease shall be first used to defray the expenses, if any, of the unkeep and maintenance of the property, and the discharge of taxes, liens, charges and encumbrances thereon, and any remaining proceeds shall be paid over by the trustee in their entirety, not less often than annually, in equal shares to the living members of the class as they shall be constituted at the time of each such payment or to the duly appointed guardians of any such members under legal disability.

Payments of income to the living members of the class as aforesaid shall constitute a full and final acquittance and disposition of the income so paid, it being the intent of this section that only the living members of the class (as they may be constituted at the time of each respective income payment) shall be entitled to the income which is the subject of the respective payment, and that possible members of the class not in esse shall not share in, or become entitled to the benefit of any income payment made prior to the time that such members are born and become living members of the class.

In the event that there has been a sale of any of the property, and the proceeds of sale are being held, managed, invested and reinvested by a trustee as provided above, any member of the class who is of legal age and who is not otherwise under legal disability may sell, assign and transfer his entire right, title and interest (both as to principal and income) in the funds or investments so held by the trustee. Upon receiving written notice of such sale, assignment or transfer, the trustee shall recognize the purchaser, assignee and transferee as the lawful successor in all respects whatsoever to the right, title and interest (both as to principal and income) of the seller, assignor and transferor; but no such sale, transfer or assignment shall divest the trustee of his legal title in, or possession of, said funds or investments or (except as provided above) affect his administration of the trusts for which he was appointed.

The court shall order a mortgage of the property only for one or more of the following purposes:



- (1) To provide funds for the costs and expenses of court incurred in carrying out any of the provisions of this section;
- (2) To provide funds for the necessary upkeep and maintenance of the property;
- (3) To make reasonable improvements to the property;
- (4) To pay off taxes, other existing liens, charges and encumbrances on the property.

The mortgagee shall not be held responsible for the application of the funds secured or derived from the mortgage. As used in this section, references to mortgages shall also apply to deeds of trust executed for loan security purposes.

Every trustee appointed pursuant to the provisions of this section shall file with the clerk of the superior court an inventory and annual accounts in the same manner as is now provided by law with respect to guardians.

The superior court shall allow commissions to the trustee for his time and trouble in the effectuation of a sale, lease or mortgage, and in the investment and management of the proceeds, in the same manner and under the same rules and restrictions as allowances are made to executors, administrators, and collectors.

Provided, however, this section shall not be applicable where the instrument creating the gift, devise, bequest, transfer or conveyance specifically directs, by means of the creation of a trust or otherwise, the manner in which the property shall be used or disposed of, or contains specific limitations, conditions or restrictions as to the use, form, investment, leasing, mortgage, or other disposition of the property.

And provided further, this section shall not alter or affect in any way laws or legal principles heretofore, now, or hereafter existing relating to the determination of the nature, extent or vesting of estates or property interests, and of the persons entitled thereto. But where, under the laws and legal principles existing without regard to this section, a gift, devise, bequest, transfer or conveyance has the legal effect of being made to all members of a class, some of whom are in esse and some of whom are in posse, the procedures authorized hereby may be utilized for the purpose of promoting the best interests of all members of the class, and this section shall be liberally construed to effectuate this intent. The remedies and procedures herein specified shall not be exclusive, but shall be cumulative, in addition to, and without prejudice to, all other remedies and procedures, if any, which now exist or hereafter may exist either by virtue of statute, or by virtue of the inherent powers of any court of competent jurisdiction, or otherwise.

The provisions of this section shall apply to gifts, devises, bequests, transfers, and conveyances made both before and after April 5, 1949. (1949, c. 811, s. 1; 1971, c. 641, s. 1.)

**Editor's Note. —**

The 1971 amendment designated the former proviso in the fifth paragraph as subdivision (1) and added subdivision (2) of that paragraph.

Session Laws 1971, c. 641, s. 2, provides: "The provisions of this act shall apply to gifts, devises,

bequests, transfers, and conveyances made both before and after the date of ratification of this act."

**Cited in** *De Lotbiniere v. Wachovia Bank & Trust Co.*, 2 N.C. App. 252, 163 S.E.2d 59 (1968).

**§ 41-12. Sales or mortgages of contingent remainders validated.**

**Cited in** *McRorie v. Shinn*, 11 N.C. App. 475, 181 S.E.2d 773 (1971).



**Chapter 42.****Landlord and Tenant.****Article 2.****Agricultural Tenancies.**

Sec.

- 42-17. Action to settle dispute between parties.  
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**Article 4.****Forms.**

- 42-37. [Repealed.]

**ARTICLE 1.****General Provisions.****§ 42-1. Lessor and lessee not partners.**

**Editor's Note.** — For case law survey as to landlord and tenant, see 44 N.C.L. Rev. 1027 (1966); 45 N.C.L. Rev. 968 (1967).

**§ 42-3. Term forfeited for nonpayment of rent.**

**Eviction if Tenants at Will Not Dependent upon Failure to Pay Rent.** — Where a tenancy at will exists, a landlord's right to evict the tenants does not depend on whether the tenants have failed to pay their rent. *Stout v. Crutchfield*, 21 N.C. App. 387, 204 S.E.2d 541 (1974).

**Upon Eviction, Tenancy at Will Instantly Expires.** — When a landlord tells the tenants to vacate the premises, their tenancy at will

instantly expires, regardless of whether they have defaulted on the rent. *Stout v. Crutchfield*, 21 N.C. App. 387, 204 S.E.2d 541 (1974).

**And the tenants have the right to bring an immediate action for summary ejectment under § 42-26(1).** *Stout v. Crutchfield*, 21 N.C. App. 387, 204 S.E.2d 541 (1974).

Cited in *Morris v. Austraw*, 269 N.C. 218, 152 S.E.2d 155 (1967).

**§ 42-4. Recovery for use and occupation.**

**Editor's Note.** — For article on remedies for trespass on land in North Carolina, see 47 N.C.L. Rev. 334 (1969).

**§ 42-9. Agreement to rebuild, how construed in case of fire.**

**Provisions of section are limited to destruction of house by fire.** *Atlantic Discount*

*Corp. v. Mangel's of N.C., Inc.*, 2 N.C. App. 472, 163 S.E.2d 295 (1968).



## § 42-10. Tenant not liable for accidental damage.

**Editor's Note.** — For note on lessee's liability for sublessee's negligence, see 45 N.C.L. Rev. 295 (1966).

## § 42-14. Notice to quit in certain tenancies.

### Effect of Holding Over. —

In the absence of a provision in the lease for an extension of the term, when a tenant under a lease for a fixed term of one year, or more, holds over after the end of the term the lessor may eject him or recognize him as a tenant. *Kearney v. Hare*, 265 N.C. 570, 144 S.E.2d 636 (1965).

When a tenant under a lease for a fixed term of one year, or more, holds over after the end of the term and the lessor elects to treat him as a tenant, such a tenancy may be terminated by either party at the end of any year thereof by giving notice of his intent so to terminate it thirty days before the end of such year. *Kearney v. Hare*, 265 N.C. 570, 144 S.E.2d 636 (1965).

If the lessor elects to treat as a tenant one holding over after the end of the term of a lease for one year or more, a new tenancy relationship is created as of the end of the former term. This is, by presumption of law, a tenancy from year to year, the terms of which are the same as those of the former lease insofar as they are applicable, in the absence of a new contract rebutting such presumption. Such a tenancy may be terminated by either party at the end of any year thereof by giving notice of his intent so to terminate it thirty days before the end of such year. *Kearney v. Hare*, 265 N.C. 570, 144 S.E.2d 636 (1965).

Nothing else appearing, when a tenant for a fixed term of one year or more holds over after

the expiration of such term, the lessor has an election. He may treat him as a trespasser and bring an action to evict him and to recover reasonable compensation for the use of the property, or he may recognize him as still a tenant, having the same rights and duties as under the original lease, except that the tenancy is one from year to year and is terminable by either party upon giving to the other thirty days' notice directed to the end of any year of such new tenancy. *Coulter v. Capitol Fin. Co.*, 266 N.C. 214, 146 S.E.2d 97 (1966).

**Same — Change of Notice Period by Agreement.** — Where a lease for an original term of thirty-six months provided that, "should the lessee remain in possession of the leased premises beyond the expiration of the original term or any renewal or extension of this lease, which shall result in a tenancy from month to month, this lease may be terminated by either party upon the giving of thirty (30) days' written notice to the other party," the purpose of the clause was held to have been to provide that in such circumstances the tenancy would be from month to month, and so terminable by either party at the end of any month, but only upon thirty days' notice rather than upon the seven days' notice which would otherwise be sufficient to terminate a month to month tenancy under this section. *Coulter v. Capitol Fin. Co.*, 266 N.C. 214, 146 S.E.2d 97 (1966).

## ARTICLE 2.

### *Agricultural Tenancies.*

## § 42-15. Landlord's lien on crops for rents, advances, etc.; enforcement.

### I. IN GENERAL.

#### **Editor's Note.** —

For article concerning liens on personal property not governed by the Uniform Commercial Code, see 44 N.C.L. Rev. 322 (1966).

#### **A Statutory Remedy.** —

The only statutory landlord's lien in this jurisdiction is that provided for by this section. *Dunham's Music House, Inc. v. Asheville Theatres, Inc.*, 10 N.C. App. 242, 178 S.E.2d 124 (1970).

**A lien on personal property granted a lessor by contract** is not excluded from the provisions of the Uniform Commercial Code. *Dunham's Music House, Inc. v. Asheville Theatres, Inc.*, 10 N.C. App. 242, 178 S.E.2d 124 (1970).

**No Right of Distress.** — A landlord's right of distress as a security for the payment of rent available under English common law has never existed in North Carolina. *Dunham's Music House, Inc. v. Asheville Theatres, Inc.*, 10 N.C. App. 242, 178 S.E.2d 124 (1970).



**§ 42-17. Action to settle dispute between parties.** — When any controversy arises between the parties, and neither party avails himself of the provisions of this Chapter, it is competent for either party to proceed at once to have the matter determined in the appropriate trial division of the General Court of Justice. (1876-7, c. 283, s. 3; Code, s. 1756; Rev., s. 1995; C. S., s. 2357; 1971, c. 533, s. 1.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, substituted "the appropriate trial division of the General Court of Justice" for "the court of a justice of the peace, if the amount claimed is two hundred dollars or

less, or in the superior court of the county where the property is situate if the amount so claimed is more than two hundred dollars" at the end of the section.

**§ 42-18. Tenant's undertaking on continuance or appeal.** — In case there is a continuance or an appeal from the magistrate's decision to the district court, the lessee or cropper, or the assigns of either, shall be allowed to retain possession of said property upon his giving an undertaking to the lessor or his assigns, or the adverse party, in a sum double the amount of the claim, if such claim does not amount to more than the value of such property, otherwise to double the value of such property, with good and sufficient surety, to be approved by the magistrate or the clerk of the superior court, conditioned for the faithful payment to the adverse party of such damages as he shall recover in said action. (1876-7, c. 283, s. 3; Code, s. 1756; Rev., s. 1995; C. S., s. 2358; 1971, c. 533, s. 2.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate's" for "justice's" and "district" for

"superior" near the beginning of the section and "magistrate" for "justice of the peace" near the end of the section.

**§ 42-19. Crops delivered to landlord on his undertaking.** — In case the lessee or cropper, or the assigns of either, at the time of the appeal or continuance mentioned in G.S. 42-18, fails to give the undertaking therein required, then the sheriff or other lawful officer shall deliver the property into the actual possession of the lessor or his assigns, upon the lessor or his assigns giving to the adverse party an undertaking in double the amount of said property, to be justified as required in G.S. 42-18, conditioned for the forthcoming of such property, or the value thereof, in case judgment is pronounced against him. (1876-7, c. 283, s. 4; Code, s. 1757; Rev., s. 1996; C. S., s. 2359; 1973, c. 108, s. 17.)

**Editor's Note.** — The 1973 amendment substituted "sheriff" for "constable."

**§ 42-20. Crops sold, if neither party gives undertaking.** — If neither party gives the undertaking described in G.S. 42-18 and G.S. 42-19, it is the duty of the clerk of the superior court to issue an order to the sheriff, or other lawful officer, directing him to take into his possession all of said property, or so much thereof as may be necessary to satisfy the claimant's demand and costs, and to sell the same under the rules and regulations prescribed by law for the sale of personal property under execution, and to hold the proceeds thereof subject to the decision of the court upon the issue or issues pending between the parties. (1876-7, c. 283, s. 5; Code, s. 1758; Rev., s. 1997; C. S., s. 2360; 1971, c. 533, s. 3.)



**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, deleted "the justice of the peace or" preceding "the clerk" and "constable

or" preceding "sheriff" near the beginning of the section.

### ARTICLE 3.

#### *Summary Ejectment.*

#### § 42-26. Tenant holding over may be dispossessed in certain cases.

##### I. APPLICATION AND SCOPE.

**Editor's Note.** — For note on retaliatory evictions and housing code enforcement, see 49 N.C.L. Rev. 569 (1971).

##### **Remedy Is Restricted, etc. —**

In accord with original. See *Morris v. Austraw*, 269 N.C. 218, 152 S.E.2d 155 (1967); *Chandler v. Cleveland Sav. & Loan Ass'n*, 24 N.C. App. 455, 211 S.E.2d 484 (1975).

##### **Relation of Landlord and Tenant Necessary. —**

When the remedy of summary ejectment is sought, the allegation that the relationship of landlord and tenant exists between the parties is no longer necessary as a jurisdictional matter, but it is still necessary to show that the relationship exists in order to bring the case within the provisions of this section before the remedy may be properly granted. *Chandler v. Cleveland Sav. & Loan Ass'n*, 24 N.C. App. 455, 211 S.E.2d 484 (1975).

**The remedy of summary ejectment may be obtained in a small-claim action heard by a magistrate.** *Chandler v. Cleveland Sav. & Loan Ass'n*, 24 N.C. App. 455, 211 S.E.2d 484 (1975).

##### **When Section Does Not Apply — Entry as Vendee. —**

A vendee under a contract for sale and purchase of land is not such a tenant as may be evicted by summary ejectment under this section. *Brannock v. Fletcher*, 271 N.C. 65, 155 S.E.2d 532 (1967).

**Tenants at Will Have Right of Action for Ejectment upon Eviction.** — When a landlord tells tenants at will to vacate the premises, their tenancy instantly expires, regardless of whether they have defaulted on the rent, and the tenants have the right to bring an immediate action for summary ejectment under this section. *Stout v. Crutchfield*, 21 N.C. App. 387, 204 S.E.2d 541 (1974).

**Cited in** *North Am. Acceptance Corp. v. Samuels*, 11 N.C. App. 504, 181 S.E.2d 794 (1971).

##### III. BREACH OF PROVISION OF LEASE.

##### **Condition Must Be in Lease. —**

Except in cases where § 42-3 writes into a contract of a lease of lands, when the lease is silent thereon, a forfeiture of the terms of the lease upon failure of the lessee to pay the rent within ten days after a demand is made by the

lessor or his agent for all past due rent, with right of the lessor to enter and dispossess the lessee, a breach of the conditions of a lease between a landlord and tenant cannot be made the basis of summary ejectment unless the lease itself provides for termination of such breach or reserves the right of reentry for such breach. *Morris v. Austraw*, 269 N.C. 218, 152 S.E.2d 155 (1967).

Breach of a condition in a lease that lessee should not use or permit the use of any portion of the premises for any unlawful purpose or purposes, without provision in the lease automatically terminating the lease or reserving the right of reentry for breach of such condition, cannot be made the basis of summary ejectment, and provision in the lease that should the landlord bring suit because of the breach of any covenant and should prevail in such suit, the tenant should pay reasonable attorney's fees, does not constitute a provision automatically terminating the lease for breach of such condition or preserve the right of reentry. *Morris v. Austraw*, 269 N.C. 218, 152 S.E.2d 155 (1967).

**Provisions for Termination on Receivership or Bankruptcy Are Not Void.** — The provisions of a lease authorizing lessors to terminate the lease and repossess the property upon the appointment of a receiver for lessee or adjudication that it was a bankrupt are not void. They are not contrary to public policy nor prohibited by statute. To the contrary, similar provisions are frequently inserted in leases, particularly when of long duration. *Carson v. Imperial '400' Nat'l, Inc.*, 267 N.C. 229, 147 S.E.2d 898 (1966).

##### IV. RIGHTS OF PARTIES.

**The hearing to be afforded tenants of public housing before the determination to evict them** requires (1) timely and adequate notice detailing the reasons for a proposed termination, (2) an opportunity on the part of the tenant to confront and cross-examine adverse witnesses, (3) the right of a tenant to be represented by counsel, provided by him to delineate the issues, present the factual contentions in an orderly manner, conduct cross-examination and generally to safeguard his interests, (4) a decision, based on evidence adduced at the hearing, in which the reasons for decision and



the evidence relied on are set forth, and (5) an impartial decision maker. *Caulder v. Durham Housing Authority*, 433 F.2d 998 (4th Cir. 1970).

**§ 42-28. Summons issued by clerk.** — When the lessor or his assignee files a complaint pursuant to G.S. 42-26 or G.S. 42-27, and asks to be put in possession of the leased premises, the clerk of superior court shall issue a summons requiring the defendant to appear at a certain time and place (not to exceed five days from the issuing of the summons, without the consent of the plaintiff) to answer the complaint. The plaintiff may claim rent in arrears, and damages for the occupation of the premises since the cessation of the estate of the lessee, not to exceed five hundred dollars (\$500.00), but if he omits to make such claim, he shall not be prejudiced thereby in any other action for their recovery. (1868-9, c. 156, s. 20; 1869-70, c. 212; Code, s. 1767; Rev., s. 2002; C. S., s. 2367; 1971, c. 533, s. 4; 1973, c. 1267, s. 4.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, rewrote this section.

The 1973 amendment, effective July 1, 1974, substituted "five hundred dollars (\$500.00)" for

"three hundred dollars (\$300.00)" in the second sentence.

**Applied in** *Morris v. Austraw*, 269 N.C. 218, 152 S.E.2d 155 (1967).

**§ 42-29. Service of summons.** — The officer receiving the summons shall immediately deliver a copy of it, together with a copy of the complaint, to the defendant, or leave copies thereof at the defendant's dwelling house or usual place of abode with some person of suitable age and discretion then residing therein. If such service cannot be made, and if the defendant cannot be found in the county after due and diligent search, the officer shall affix copies to some conspicuous part of the premises claimed and make due return showing compliance with this section. (1868-9, c. 156, s. 21; Code, s. 1768; Rev., s. 2003; C. S., s. 2368; 1973, c. 87.)

**Editor's Note.** — The 1973 amendment rewrote this section.

**§ 42-30. Judgment by confession or where plaintiff has proved case.** — The summons shall be returned according to its tenor, and if on its return it appears to have been duly served, and if the plaintiff proves his case by a preponderance of the evidence, or the defendant admits the allegations of the complaint, the magistrate shall give judgment that the defendant be removed from, and the plaintiff be put in possession of, the demised premises; and if any rent or damages for the occupation of the premises after the cessation of the estate of the lessee, not exceeding five hundred dollars (\$500.00), be claimed in the oath of the plaintiff as due and unpaid, the magistrate shall inquire thereof, and give judgment as he may find the fact to be. (1868-9, c. 156, s. 22; Code, s. 1769; Rev., s. 2004; C. S., s. 2369; 1971, c. 533, s. 5; 1973, c. 10; c. 1267, s. 4.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice" in two places and substituted "three hundred dollars (\$300.00)" for "two hundred dollars."

The first 1973 amendment substituted "plaintiff proves his case by a preponderance of

the evidence, or the defendant" for "defendant fails to appear, or" near the beginning of the section.

The second 1973 amendment, effective July 1, 1974, substituted "five hundred dollars (\$500.00)" for "three hundred dollars (\$300.00)" near the end of the section.



**§ 42-31. Trial by magistrate.** — If the defendant by his answer denies any material allegation in the oath of the plaintiff, the magistrate shall hear the evidence and give judgment as he shall find the facts to be. (1868-9, c. 156, s. 23; Code, s. 1770; Rev., s. 2005; C. S., s. 2370; 1971, c. 533, s. 6.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice" and eliminated the former second

sentence, providing for trial by jury, judgment and execution.

**§ 42-32. Damages assessed to trial.** — On appeal to the district court, the jury trying issues joined shall assess the damages of the plaintiff for the detention of his possession to the time of the trial in that court; and, if the jury finds that the detention was wrongful and that the appeal was without merit and taken for the purpose of delay, the plaintiff, in addition to any other damages allowed, shall be entitled to double the amount of rent in arrears, or which may have accrued, to the time of trial in the district court. Judgment for the rent in arrears and for the damages assessed may, on motion, be rendered against the sureties to the appeal. (1868-9, c. 156, s. 28; Code, s. 1775; Rev., s. 2006; C. S., s. 2371; 1945, c. 796; 1971, c. 533, s. 7.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, substituted "district" for

"superior" near the beginning and again near the end of the first sentence.

**§ 42-34. Undertaking on appeal; when to be increased.** — (a) Upon appeal to the district court, either party may demand that the case be tried at the first session of the court after the appeal is docketed, but the presiding judge, in his discretion, may first try any pending case in which the rights of the parties or the public demand it.

(b) No execution commanding the removal of a defendant from possession of the rented premises shall be suspended until the defendant gives an undertaking in an amount not less than three month's rent of the premises, with sufficient surety or sureties to be approved by the magistrate, to be void if the defendant pays any judgment which the plaintiff may recover for rent, and for damages for the detention of the land. At any session of the district court of the county in which the appeal is docketed after the lapse of three months from the date of the filing of the undertaking required in this subsection, the tenant, after legal notice has been duly served on him, may be required to show cause why the undertaking should not be increased to an amount sufficient to cover rents and damages for such period as the court may deem proper, and if the tenant fails to show proper cause and does not file an increased undertaking for rents and damages as the court may direct, or make affidavit that he is unable to do so, his appeal shall be dismissed and the judgment of the magistrate shall be affirmed. (1868-9, c. 156, s. 25; 1883, c. 316; Code, s. 1772; Rev., s. 2008; C. S., s. 2373; 1921, c. 90; Ex. Sess. 1921, c. 17; 1933, c. 154; 1937, c. 294; 1949, c. 1159; 1971, c. 533, s. 8.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, rewrote this section.

**No Provision for Waiver of Bond.** — Examination of this section fails to disclose any provision for waiver of the bond to perfect the

appeal. *Caulder v. Durham Housing Authority*, 433 F.2d 998 (4th Cir. 1970).

Cited in *Crockett v. Lowry*, 8 N.C. App. 71, 173 S.E.2d 566 (1970).



**§ 42-35. Restitution of tenant, if case quashed, etc., on appeal.** — If the proceedings before the magistrate are brought before a district court and quashed, or judgment is given against the plaintiff, the district or other court in which final judgment is given shall, if necessary, restore the defendant to the possession, and issue such writs as are proper for that purpose. (1868-9, c. 156, s. 27; Code, s. 1774; Rev., s. 2009; C. S., s. 2374; 1971, c. 533, s. 9.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice" near the beginning of the section

and substituted "district" for "superior" in two places.

**§ 42-36. Damages to tenant for dispossession, if proceedings quashed, etc.** — If, by order of the magistrate, the plaintiff is put in possession, and the proceedings shall afterwards be quashed or reversed, the defendant may recover damages of the plaintiff for his removal. (1868-9, c. 156, s. 30; Code, s. 1776; Rev., s. 2010; C. S., s. 2375; 1971, c. 533, s. 10.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice" near the beginning of the section.

**§ 42-36.1. Lease or rental of mobile homes.** — The provisions of this Article shall apply to the lease or rental of mobile homes, as defined in G.S. 143-145. (1971, c. 764.)

#### ARTICLE 4.

##### *Forms.*

**§ 42-37: Repealed by Session Laws 1971, c. 533, s. 11, effective October 1, 1971.**



## Chapter 43.

## Land Registration.

## Article 2.

## Officers and Fees.

Sec.

43-5. Fees of officers.

## Article 3.

## Procedure for Registration.

43-9. Summons issued and served; disclaimer.

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43-17.1. Issuance of certificate upon death of registered owner; petition and contents; dissolution of corporation; certificate lost or not received by grantee.

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43-58 to 43-62. [Reserved.]

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Instruments Describing Party as  
Trustee or Agent.

43-63. When instrument describing party as trustee or agent not to operate as notice of limitation upon powers of such party.

43-64. Application of Article; filing notice of claim; application of § 47B-6.

## ARTICLE 1.

*Nature of Proceeding.*

## § 43-1. Jurisdiction in superior court.

The Torrens Act manifests a purpose on the part of the General Assembly to establish a title in the registered owner, impregnable against attack at the time of the decree, and also to protect him against all claims or demands not noted on the book for the registration of titles, and to make that book a complete record and the only conclusive evidence of the title. State v. Johnson, 278 N.C. 126, 179 S.E.2d 371 (1971).

The basic principle of this system is the registration of the official and conclusive evidence of the title of land, instead of registering, as the old system requires, the wholly private and inconclusive evidences of such title. State v. Johnson, 278 N.C. 126, 179 S.E.2d 371 (1971).

The principle of the "Torrens System" is conveyance by registration and certificate instead of by deed, and assimilates the transfer

of land to the transfer of stocks in corporations. State v. Johnson, 278 N.C. 126, 179 S.E.2d 371 (1971).

## The purpose of a proceeding, etc. —

The general purpose of the Torrens System is to secure by a decree of court, or other similar proceedings, a title impregnable against attack; to make a permanent and complete record of the exact status of the title with the certificate of registration showing at a glance all liens, encumbrances, and claims against the title; and to protect the registered owner against all claims or demands not noted on the book for the registration of titles. State v. Johnson, 278 N.C. 126, 179 S.E.2d 371 (1971).

Cited in International Serv. Ins. Co. v. Iowa Nat'l Mut. Ins. Co., 276 N.C. 243, 172 S.E.2d 55 (1970).

## ARTICLE 2.

*Officers and Fees.*

§ 43-5. Fees of officers. — The examiner hereinbefore provided for shall receive, as may be allowed by the clerk, a minimum fee of five dollars (\$5.00) for such examination of each title of property assessed upon the tax books at the amount of five thousand dollars (\$5,000.00) or less; for each additional thousand dollars (\$1,000.00) of assessed value of property so examined he shall receive fifty cents (50¢); for examination outside of the county he shall receive a reasonable allowance. There shall be allowed to the register of deeds for copying the plot upon registration of titles book one dollar (\$1.00); for issuing



the certificate and new certificates under this Chapter, fifty cents (50¢) for each; for noting the entries or memorandum required and for the entries noting the cancellation of mortgages and all other entries, if any, herein provided for, a total of twenty-five cents (25¢) for the entry or entries connected with one transaction. The county or other surveyor employed under the provisions of this Chapter shall not be allowed to charge more than forty cents (40¢) per hour for his time actually employed in making the survey and the map, except by agreement with the petitioner: Provided, however, that a minimum fee of two dollars (\$2.00) in any case may be allowed.

There shall be no other fees allowed of any nature except as herein provided, and the bond of the register, clerk and sheriff shall be liable in case of any mistake, malfeasance, or misfeasance as to the duties imposed upon them by this Chapter in as full a manner as such bond is now liable by law. (1913, c. 90, s. 30; C. S., s. 2381; 1971, c. 1185, s. 1.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, deleted a former first sentence.

### ARTICLE 3.

#### *Procedure for Registration.*

#### **§ 43-6. Who may institute proceedings.**

**Quoted** in *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

#### **§ 43-8. Petition filed; contents.**

**Stated** in *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

**§ 43-9. Summons issued and served; disclaimer.** — Summons shall be issued and shall be returnable as in other cases of special proceedings, except that the return shall be at least sixty days from the date of the summons. The summons shall be served at least ten days before the return thereof and the return recorded in the same manner as in other special proceedings; and all parties under disabilities shall be represented by guardian, either general or ad litem. If the persons named as interested are not residents of the State of North Carolina, and their residence is known, which must appear by affidavit, the summons must be served on such nonresidents as is now prescribed by law for service of summons on nonresidents.

Any party defendant to such proceeding may file a disclaimer of any claim or interest in the land described in the petition, which shall be deemed an admission of the allegations of the petition, and the decree shall bar such party and all persons thereafter claiming under him, and such party shall not be liable for any costs or expenses of the proceeding except such as may have been incurred by reason of his delay in pleading. (1913, c. 90, s. 6; C. S., s. 2385; 1967, c. 954, s. 3.)

**Editor's Note.** — The 1967 amendment, effective July 1, 1969, rewrote the first sentence.

The amendment to this section eliminated a former provision that summons should be directed to the sheriff. Compare Rule 4 of the

Rules of Civil Procedure (§ 1A-1) and the amendment to the special proceedings statute, § 1-394.

Session Laws 1969, c. 803, amends Session Laws 1967, c. 954, s. 10, so as to make the 1967



act effective Jan. 1, 1970. See Editor's note to § 1A-1.

**Stated** in *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

### § 43-10. Notice of petition published.

**Evidence of Publication.** — The recital in a final Torrens decree of registration that "publication of notice has been duly made" is conclusive evidence of the fact, and any attack on the decree is foreclosed by the limitation imposed in § 43-26. *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

When viewed in light of the purpose of the Torrens Act, it is clear that the proviso, that

recital of service of summons and publication in the decree and the certificate shall be conclusive evidence thereof, is intended to cure any jurisdictional defect with respect to issuance and service of summons and the publication of notice so as to foreclose all jurisdictional attacks on a Torrens title. *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

### § 43-11. Hearing and decree.

(c) **Exceptions to Report.** — Any of the parties to the proceeding may, within twenty days after such report is filed, file exceptions, either to the conclusions of law or fact. Whereupon the clerk shall transmit the record to the judge of the superior court for his determination thereof; such judge may on his own motion certify any issue of fact arising upon any such exceptions to the superior court of the county in which the proceeding is pending, for a trial of such issue by jury, and he shall so certify such issue of fact for trial by jury upon the demand of any party to the proceeding. If, upon consideration of such record, or the record and verdict of issues to be certified and tried by jury, the title be found in the petitioner, the judge shall enter a decree to that effect, ascertaining all limitations, liens, etc., declaring the land entitled to registration accordingly, and the same, together with the record, shall be docketed by the clerk of the court as in other cases, and a copy of the decree certified to the register of deeds of the county for registration as hereinafter provided. Any of the parties may appeal from such judgment to the appellate division, as in other special proceedings.

(1969, c. 44, s. 48.)

**Editor's Note.** — The 1969 amendment substituted "appellate division" for "Supreme Court" in the last sentence of subsection (c).

As the rest of the section was not changed by the amendment, only subsection (c) is set out.

For article "Transferring North Carolina Real Estate Part I: How the Present System Functions," see 49 N.C.L. Rev. 413 (1971).

**Stated** in *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

### § 43-12. Effect of decree; approval of judge.

**Quoted** in *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

## ARTICLE 4.

### *Registration and Effect.*

### § 43-15. Certificate issued.

**Stated** in *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).



**§ 43-16. Certificates numbered; entries thereon.**

Stated in *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

**§ 43-17.1. Issuance of certificate upon death of registered owner; petition and contents; dissolution of corporation; certificate lost or not received by grantee.** — Upon the death of any person who is the registered owner of any estate or interest in land which has been brought under this Chapter, a petition may be filed with the clerk of the superior court of the county in which the title to such land is registered by anyone having any estate or interest in the land, or any part thereof, the title to which has been registered under the terms of this Chapter, attaching thereto the registered certificate of title issued to the deceased holder and setting forth the nature and character of the interest or estate of such petitioner in said land, the manner in which such interest or estate was acquired by the petitioner from the deceased person — whether by descent, by will, or otherwise, and setting forth the names and addresses of any and all other persons, firms or corporations which may have any interest or estate therein, or any part thereof, and the names and addresses of all persons known to have any claims or liens against the said land; and setting forth the changes which are necessary to be made in the registered certificate of title to land in order to show the true owner or owners thereof occasioned by the death of the registered owner of said certificate. Such petition shall contain all such other information as is necessary to fully inform the court as to the status of the title and the condition as to all liens and encumbrances against said land existing at the time the petition is filed, and shall contain a prayer for such relief as the petitioner may be entitled to under the provisions hereof. Such petition shall be duly verified.

Like procedure may be followed as herein set forth upon the dissolution of any corporation which is the registered owner of any estate or interest in the land which has been brought under this Chapter.

In the event the registered certificate of title has been lost and after due diligence cannot be found, and this fact is made to appear by allegation in the petition, such registered certificate of title need not be attached to the petition as hereinabove required, but the legal representatives of the deceased registered owner shall be made parties to the proceeding. If such persons are unknown or, if known cannot after due diligence be found within the State, service of summons upon them may be made by publication of the notice prescribed in G.S. 43-17.2. In case the registered owner is a corporation which has been dissolved, service of summons upon such corporation and any others who may have or claim any interest in such land thereunder shall be made by publication of the notice containing appropriate recitals as required by G.S. 43-17.2.

If any registered owner has by writing conveyed or attempted to convey a title to any registered land without the surrender of the certificate of title issued to him, the person claiming title to said lands under and through said registered owner by reason of his or its conveyance may file a petition with the clerk of the superior court of the county in which the land is registered and in the proceeding under which the title was registered praying for the cancellation of the original certificate and the issuance of the new certificate. Upon the filing of such petition notice shall be published as prescribed in G.S. 43-17.2. The clerk of the superior court with whom said petition is filed shall by order determine what additional notice, if any, shall be given to registered owners. If the registered owner is a natural person, deceased, or a corporation dissolved the court may direct what additional notice, if any, shall be given. The clerk shall hear the evidence, make findings of fact, and if found as a fact that the original certificate of the registered owner has been lost and cannot be found, shall enter



his order directing the register of deeds to cancel the same and to issue a new certificate to such person or persons as may be entitled thereto, subject to such claims or liens as the court may find to exist.

Any party within 10 days from the rendition of such judgment or order by the clerk of superior court of the county in which said land is registered may appeal to the superior court during a session of court, where the cause shall be heard de novo by the judge, unless a jury trial be demanded, in which event the issues of fact shall be submitted to a jury. From any order or judgment entered by the superior court during a session of court an appeal may be taken to the appellate division in the manner provided by law. (1943, c. 466, s. 1; 1945, c. 44; 1969, c. 44, s. 49; 1971, c. 1185, s. 2.)

**Editor's Note.** — The 1969 amendment substituted "appellate division" for "Supreme Court" in the last sentence.

The 1971 amendment, effective Oct. 1, 1971, in the fifth paragraph, substituted "during a

session of court" for "in term time" in the first and second sentences.

§ 43-18. Registered owner's estate free from adverse claims; exceptions.

**Unrecorded Deed Does Not Affect Lands Covered by Torrens Title.** — Where title to lands was registered under the provisions of the Torrens Law, and the deed seeking to establish a boundary line and reserving a right-of-way across the lands was not recorded in the registration of title book, and no notice of the

existence thereof was made in said registration of title book or upon the certificate of title, the deed and purported reservation of right-of-way had no effect whatever on the lands covered by the Torrens title. *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

§ 43-21. No right by adverse possession.

**Editor's Note.** — For article "Transferring North Carolina Real Estate Part I: How the Present System Functions," see 49 N.C.L. Rev. 413 (1971).

**Quoted** in *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

§ 43-22. Jurisdiction of courts; registered land affected only by registration.

**Unrecorded Deed Does Not Affect Lands Covered by Torrens Title.** — Where title to lands was registered under the provisions of the Torrens Law, and the deed seeking to establish a boundary line and reserving a right-of-way across the lands was not recorded in the registration of title book, and no notice of the

existence thereof was made in said registration of title book or upon the certificate of title, hence the deed and purported reservation of right-of-way had no effect whatever on the lands covered by the Torrens title. *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

ARTICLE 5.

*Adverse Claims and Corrections after Registration.*

§ 43-26. Limitations.

**Evidence of Publication.** — The recital in a final Torrens decree of registration that "publication of notice has been duly made" was conclusive evidence of the fact, and any attack

on the decree was foreclosed by the limitation imposed in § 43-26. *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).



**§ 43-27. Adverse claim subsequent to registry; affidavit of claim prerequisite to enforcement; limitation.**

Stated in *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

**§ 43-28. Suit to enforce adverse claim; summons and notice necessary.**

Stated in *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

ARTICLE 6.

*Method of Transfer.*

**§ 43-31. When whole of land conveyed.**

Stated in *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

**§ 43-32. Conveyance of part of registered land.**

Stated in *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

**§ 43-33. Duty of register of deeds upon part conveyance.**

Stated in *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

**§ 43-37. Owner's certificate presented with transfer.**

Stated in *State v. Johnson*, 278 N.C. 126, 179 S.E.2d 371 (1971).

ARTICLE 9.

*Removal of Land from Operation of Torrens Law.*

**§§ 43-58 to 43-62:** Reserved for future codification purposes.

ARTICLE 10.

*Instruments Describing Party as Trustee or Agent.*

**§ 43-63. When instrument describing party as trustee or agent not to operate as notice of limitation upon powers of such party.** — When any instrument affecting title to real estate describes a party as trustee or agent, or otherwise indicates that a party is or may be acting as trustee or agent, but does not indicate any beneficial interest, set forth his powers or specify some other recorded instrument setting forth such powers and the place in the public records where it is recorded, and there is no recorded instrument in the record chain of title to such real estate setting forth such powers, then the description or indication shall not be notice to any person thereafter dealing with the real



estate of any limitation upon the powers of the party nor require any inquiry or investigation as to such trust or agency. Such trustee or agent shall be deemed to have full power to convey or otherwise dispose of the real estate; and no person interested under such trust or agency shall be entitled to make any claim against the real estate based upon notice given by such description or indication. This Article shall not prevent claims against the trustee or agent or against property other than the real estate. (1975, c. 181, s. 1.)

**§ 43-64. Application of Article; filing notice of claim; application of § 47B-6.** — This Article shall apply to instruments recorded before or after May 15, 1975, but shall not bar any claim based on notice given by any instrument if, within one year after May 15, 1975, a written notice of the claim is recorded, identifying the place in the public records where the reference to a fiduciary may be found, stating the powers of such fiduciary, and naming the person who is then the record owner of the real estate affected. Such notice of claim shall be signed and acknowledged by the person executing the same, and may be executed by any person interested under such trust or agency, or by his attorney, agent, guardian, conservator, parent, or any other person acting on his behalf, if for any reason he is unable to act. The notice of claim shall be recorded and indexed under the name of the person declared therein to be the record owner.

Registrations hereunder shall be subject to the provisions and penalties imposed by G.S. 47B-6. (1975, c. 181, ss. 2, 3.)



**Chapter 44.**

**Liens.**

**Article 1.**

**Mechanics', Laborers', and Material-men's Liens.**

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44-1 to 44-5. [Repealed.]

**Article 2.**

**Subcontractors', etc., Liens and Rights against Owners.**

44-6. [Repealed.]

44-8 to 44-13. [Repealed.]

44-14. [Repealed.]

**Article 3.**

**Liens on Vessels.**

44-15 to 44-27. [Repealed.]

**Article 4.**

**Warehouse Storage Liens.**

44-28, 44-29. [Repealed.]

**Article 5.**

**Liens of Hotel, Boarding and Lodging House Keeper.**

44-30 to 44-32. [Repealed.]

**Article 6.**

**Liens of Livery Stable Keepers.**

44-33 to 44-35. [Repealed.]

**Article 7.**

**Liens on Colts, Calves and Pigs.**

44-36 to 44-37.1. [Repealed.]

**Article 8.**

**Perfecting, Recording, Enforcing and Discharging Liens.**

44-38. Claim of lien to be filed; place of filing.

44-38.1. [Repealed.]

44-39 to 44-47. [Repealed.]

44-48. Discharge of liens.

**Article 9.**

**Liens upon Recoveries for Personal Injuries to Secure Sums Due for Medical Attention, etc.**

44-49. Lien created; applicable to persons non sui juris.

44-50. Receiving person charged with duty of retaining funds for purpose stated; evidence; attorney's fees; charges.

**Article 9A.**

**Liens for Ambulance Service.**

44-51.1. Lien on real property of recipient of

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ambulance service paid for or provided by county or municipality.

44-51.2. Filing within ninety days required.

44-51.3. Discharge of lien.

**Article 9B.**

**Attachment or Garnishment and Lien for Ambulance Service in Certain Counties.**

44-51.4. Attachment or garnishment for county or city ambulance service.

44-51.5. General lien for county or city ambulance service.

44-51.6. Lien to be filed.

44-51.7. Discharging lien.

44-51.8. Counties to which Article applies.

**Article 10.**

**Agricultural Liens for Advances.**

44-52 to 44-64. [Repealed.]

**Article 11.**

**Uniform Federal Tax Lien Registration Act.**

44-65 to 44-68. [Repealed.]

44-68.1. Federal tax lien; place of filing.

44-68.2. Execution of notices and certificates.

44-68.3. Duties of filing officer.

44-68.4. Fees.

44-68.5. Tax liens and notices filed before October 1, 1969.

44-68.6. Uniformity of interpretation.

44-68.7. Short title.

**Article 12.**

**Liens on Leaf Tobacco, Peanuts, Cotton and Grains.**

44-69. Effective period for lien on leaf tobacco sold in auction warehouse.

44-69.1. Effective period for liens on peanuts, cotton and grains.

**Article 13.**

**Factors' Liens.**

44-70 to 44-76. [Repealed.]

**Article 14.**

**Assignment of Accounts Receivable and Liens Thereon.**

44-77 to 44-85. [Repealed.]



## ARTICLE 1.

*Mechanics', Laborers', and Materialmen's Liens.*

§ 44-1: Repealed by Session Laws 1969, c. 1112, s. 4, effective January 1, 1970.

**Editor's Note.** — Session Laws 1969, c. 1112, s. 4.1, provides that the act shall not apply to pending litigation.

§§ 44-2 to 44-5: Repealed by Session Laws 1967, c. 1029, s. 2, effective at midnight June 30, 1967.

**Cross Reference.** — As to possessory liens on personal property, see §§ 44A-1 to 44A-6.

## ARTICLE 1A.

*Wage Liens.*

## § 44-5.1. Wages for two months' lien on assets.

This section grants a priority lien for the wages paid regular employees, and such priority does not extend to those who are independent contractors and not regular employees. *First Citizens Bank & Trust Co. v. Academic Archives, Inc.*, 15 N.C. App. 186, 189 S.E.2d 551 (1972).

**Independent Contractor Defined.** — An independent contractor is one who (a) is engaged in an independent business, calling or occupation; (b) is to have the independent use of his special skill, knowledge, or training in the execution of the work; (c) is doing a specified piece of work at a fixed price or for a lump sum or upon a quantitative basis; (d) is not subject to discharge because he adopts one method of doing the work rather than another; (e) is not in the regular employ of the other contracting party; (f) is free to use such assistants as he may

think proper; (g) has full control over such assistants; and, (h) selects his own time. *First Citizens Bank & Trust Co. v. Academic Archives, Inc.*, 15 N.C. App. 186, 189 S.E.2d 551 (1972).

**Test of Employee Status.** — The vital test of who are regular employees or independent contractors is to be found in the fact that the employer has or has not retained the right of control or superintendence over the contractor or employee as to details. *First Citizens Bank & Trust Co. v. Academic Archives, Inc.*, 15 N.C. App. 186, 189 S.E.2d 551 (1972).

A practicing attorney rendering professional services to a client is an independent contractor, and his claim is not entitled to a priority under this section. *First Citizens Bank & Trust Co. v. Academic Archives, Inc.*, 15 N.C. App. 186, 189 S.E.2d 551 (1972).

## ARTICLE 2.

*Subcontractors', etc., Liens and Rights against Owners.*

§ 44-6: Repealed by Session Laws 1971, c. 880, s. 2, effective October 1, 1971.

**Cross Reference.** — For present provisions as to statutory liens of mechanics, laborers and materialmen dealing with one other than the owner, see §§ 44A-17 to 44A-23.

**Editor's Note.** — Session Laws 1971, c. 880, s. 4, provides: "This act shall become effective on and after October 1, 1971, and shall not affect pending litigation."

§§ 44-8 to 44-13: Repealed by Session Laws 1971, c. 880, s. 2, effective October 1, 1971.



**Cross Reference.** — For present provisions as to statutory liens of mechanics, laborers and materialmen dealing with one other than the owner, see §§ 44A-17 to 44A-23.

**Editor's Note.** — Session Laws 1971, c. 880, s. 4, provides: "This act shall become effective

on and after October 1, 1971, and shall not affect pending litigation."

Subsequent to its repeal by Session Laws 1971, c. 880, s. 2, effective Oct. 1, 1971, § 44-10 was amended by Session Laws 1971, c. 1185, s. 3, effective Oct. 1, 1971.

§ 44-14: Repealed by Session Laws 1973, c. 1194, s. 6.

### ARTICLE 3.

#### *Liens on Vessels.*

§§ 44-15 to 44-27: Repealed by Session Laws 1967, c. 1029, s. 2, effective at midnight June 30, 1967.

**Cross Reference.** — As to possessory liens on personal property, see §§ 44A-1 to 44A-6.

### ARTICLE 4.

#### *Warehouse Storage Liens.*

§§ 44-28, 44-29: Repealed by Session Laws 1967, c. 562, s. 6, effective at midnight June 30, 1967.

**Cross Reference.** — See Editor's note to § 25-1-201.

### ARTICLE 5.

#### *Liens of Hotel, Boarding and Lodging House Keeper.*

§§ 44-30 to 44-32: Repealed by Session Laws 1967, c. 1029, s. 2, effective at midnight June 30, 1967.

**Cross Reference.** — As to possessory liens on personal property, see §§ 44A-1 to 44A-6.

### ARTICLE 6.

#### *Liens of Livery Stable Keepers.*

§§ 44-33 to 44-35: Repealed by Session Laws 1967, c. 1029, s. 2, effective at midnight June 30, 1967.

**Cross Reference.** — As to possessory liens on personal property, see §§ 44A-1 to 44A-6.

### ARTICLE 7.

#### *Liens on Colts, Calves and Pigs.*

§§ 44-36 to 44-37.1: Repealed by Session Laws 1967, c. 1029, s. 2, effective at midnight June 30, 1967.



**Cross Reference.** — As to possessory liens on personal property, see §§ 44A-1 to 44A-6.

## ARTICLE 8.

### *Perfecting, Recording, Enforcing and Discharging Liens.*

**§ 44-38. Claim of lien to be filed; place of filing.** — All claims shall be filed in the office of the clerk of superior court in the county where the labor has been performed or the materials furnished, specifying in detail the materials furnished or the labor performed, and the time thereof. If the parties interested make a special contract for such labor performed, or if such material and labor are specified in writing, in such cases it shall be decided agreeably to the terms of the contract, provided the terms of such contract do not affect the lien for such labor performed or materials furnished. (1869-70, c. 206, s. 4; 1876-7, c. 53, s. 1; Code, s. 1784; Rev., s. 2026; C. S., s. 2469; 1971, c. 1185, s. 4.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, rewrote the first sentence.

**There Is No Lien if Claim Is Defective.** — The claim of lien is the foundation of the action to enforce the lien, and if such lien is defective when filed, it is no lien. *Mebane Lumber Co. v. Avery & Bullock Builders, Inc.*, 270 N.C. 337, 154 S.E.2d 665 (1967).

**When Defect Not Cured, etc.** —

A defect in a lien cannot be cured by amendment after the filing period has expired,

nor by alleging the necessary facts in the pleadings in an action to enforce the lien. *Mebane Lumber Co. v. Avery & Bullock Builders, Inc.*, 270 N.C. 337, 154 S.E.2d 665 (1967).

**Applied** in *Neal v. Whisnant*, 266 N.C. 89, 145 S.E.2d 379 (1965).

**Cited** in *G. L. Wilson Bldg. Co. v. Leatherwood*, 268 F. Supp. 609 (W.D.N.C. 1967).

**§ 44-38.1:** Repealed by Session Laws 1967, c. 562, s. 7, effective at midnight June 30, 1967.

**Cross Reference.** — See Editor's note to § 25-1-201.

**§§ 44-39 to 44-46:** Repealed by Session Laws 1969, c. 1112, s. 4, effective January 1, 1970.

**Editor's Note.** — Session Laws 1969, c. 1112, s. 4.1, provides that the act shall not apply to pending litigation.

**§ 44-47:** Repealed by Session Laws 1971, c. 1185, s. 5, effective October 1, 1971.

**§ 44-48. Discharge of liens.** — All liens created by this Chapter may be discharged as follows:

- (1) By filing with the clerk a receipt or acknowledgment, signed by the claimant, that the lien has been paid or discharged.
- (2) By depositing with the clerk money equal to the amount of the claim, which money shall be held by said officer for the benefit of the claimant.
- (3) By an entry in the lien docket that the action on the part of the claimant to enforce the lien has been dismissed, or a judgment rendered against the claimant in such action.
- (4) By a failure of the claimant to commence an action for the enforcement of the lien within six months from the notice of lien filed. (1868-9, c. 117, s. 12; Code, s. 1793; Rev., s. 2033; C. S., s. 2479; 1971, c. 1185, s. 6.)



**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, deleted "justice or" preceding "clerk" in subdivisions (1) and (2).

## ARTICLE 9.

### *Liens upon Recoveries for Personal Injuries to Secure Sums Due for Medical Attention, etc.*

**§ 44-49. Lien created; applicable to persons non sui juris.** — From and after March 26, 1935, there is hereby created a lien upon any sums recovered as damages for personal injury in any civil action in this State, the said lien in favor of any person, corporation, municipal corporation or county to whom the person so recovering, or the person in whose behalf the recovery has been made, may be indebted for drugs, medical supplies, ambulance services, and medical services rendered by any physician, dentist, trained nurse, or hospitalization, or hospital attention and/or services rendered in connection with the injury in compensation for which the said damages have been recovered. Where damages are recovered for and in behalf of minors or persons non compos mentis, such liens shall attach to the sum recovered as fully as if the said person were sui juris.

Notwithstanding the provisions of paragraph one of this section, no lien therein provided for shall be valid with respect to any claims whatsoever unless the person or corporation entitled to the lien therein provided for shall file a claim with the clerk of the court in which said civil action is instituted within 30 days after the institution of such action and further provided that the physician, dentist, trained nurse, hospital or such other person as has a lien hereunder shall, without charge to the attorney as a condition precedent to the creation of such lien, furnish upon request to the attorney representing the person in whose behalf the claim for personal injury is made, an itemized statement, hospital record, or medical report for the use of such attorney in the negotiation settlement or trial of the claim arising by reason of the personal injury.

No liens of the character provided for in the first paragraph of this section shall hereafter be valid with respect to money that may be recovered in any pending civil actions in this State unless claims based on such liens are filed with the clerk of the court in which the action is pending within 90 days after April 5, 1947.

No action shall lie against any clerk of court or any surety on any clerk's bond to recover any claims based upon any lien or liens created by the first paragraph of this section when recovery has heretofore been had by the person injured, and no claims against such recovery were filed with the clerk by any person or corporation, and the clerk has otherwise disbursed according to law the money recovered in such action for personal injuries. (1935, c. 121, s. 1; 1947, c. 1027; 1959, c. 800, s. 1; 1967, c. 1204, s. 1; 1969, c. 450, s. 1.)

#### **Editor's Note.—**

The 1967 amendment added at the end of the second paragraph the language beginning with the words "and further provided." Section 3 of the amendatory act provides that it shall not affect any civil action filed prior to Sept. 1, 1967.

The 1969 amendment rewrote the first sentence so as to make it applicable to municipal corporations and counties and to ambulance services and deleted "and effectively" near the end of the second sentence of the first paragraph.

For article concerning liens on personal property not governed by the Uniform Commercial Code, see 44 N.C.L. Rev. 322 (1966). For comment on new North Carolina wrongful death statute, see 48 N.C.L. Rev. 594 (1970).

#### **Minor Cannot, etc.—**

In accord with 1st paragraph in original. See *Price v. Seaboard Air Line R.R.*, 274 N.C. 32, 161 S.E.2d 590 (1968).

**This section and § 44-50 make any plaintiff's unpaid medical expenses a lien upon his recovery in a personal injury action. Travelers**



Ins. Co. v. Keith, 283 N.C. 577, 196 S.E.2d 731 (1973).

But they impose no obligation with reference to such expenses upon the defendant against whom judgment has been rendered.

Travelers Ins. Co. v. Keith, 283 N.C. 577, 196 S.E.2d 731 (1973).

Stated in Bowen v. Constructors Equip. Rental Co., 283 N.C. 395, 196 S.E.2d 789 (1973).

**§ 44-50. Receiving person charged with duty of retaining funds for purpose stated; evidence; attorney's fees; charges.** — Such a lien as provided for in G.S. 44-49 shall also attach upon all funds paid to any person in compensation for or settlement of the said injuries, whether in litigation or otherwise; and it shall be the duty of any person receiving the same before disbursement thereof to retain out of any recovery or any compensation so received a sufficient amount to pay the just and bona fide claims for such drugs, medical supplies, ambulance service and medical attention and/or hospital service, after having received and accepted notice thereof: Provided, that evidence as to the amount of such charges shall be competent in the trial of any such action: Provided, further, that nothing herein contained shall be construed so as to interfere with any amount due for attorney's services: Provided, further, that the lien hereinbefore provided for shall in no case, exclusive of attorneys' fees, exceed fifty percent of the amount of damages recovered. (1935, c. 121, s. 2; 1959, c. 800, s. 2; 1969, c. 450, s. 2.)

**Editor's Note.** — The 1969 amendment inserted "ambulance service" near the middle of the section.

This section and § 44-49 make plaintiff's unpaid medical expenses a lien upon his recovery in a personal injury action. Travelers Ins. Co. v. Keith, 283 N.C. 577, 196 S.E.2d 731 (1973).

But they impose no obligation with reference to such expenses upon the defendant against whom judgment has been rendered. Travelers Ins. Co. v. Keith, 283 N.C. 577, 196 S.E.2d 731 (1973).

Applied in Travelers Ins. Co. v. Keith, 15 N.C. App. 551, 190 S.E.2d 428 (1972).

## ARTICLE 9A.

### *Liens for Ambulance Service.*

**§ 44-51.1. Lien on real property of recipient of ambulance service paid for or provided by county or municipality.** — There is hereby created a general lien upon the real property of any person who has been furnished ambulance service by a county or municipal agency or at the expense of county or municipal government. The lien created by this section shall continue from the date of filing until satisfied, except that no action to enforce it may be brought more than ten years after the date on which ambulance service was furnished nor more than three years after the date of recipient's death. Failure to bring action within such times shall be a complete bar against any recovery and shall extinguish the lien. (1969, c. 684.)

**§ 44-51.2. Filing within ninety days required.** — No lien created by G.S. 44-51.1 shall be valid but from the time of filing in the office of the clerk of superior court a statement containing the name and address of the person against whom the lien is claimed, the name of the county or municipality claiming the lien, the amount of the unpaid charge for ambulance service, and the date and place of furnishing ambulance service for which charges are asserted and the lien claimed. No lien under this article shall be valid unless filed in accordance with this section within 90 days of the date of the furnishing the ambulance service. (1969, c. 684.)



**§ 44-51.3. Discharge of lien.** — Liens created by this article may be discharged as follows:

- (1) By filing with the clerk of superior court a receipt or acknowledgment, signed by the county or municipal treasurer, that the lien has been paid or discharged;
- (2) By depositing with the clerk of superior court money equal to the amount of the claim, which money shall be held for the benefit of the claimant; or
- (3) By an entry in the lien docket that the action on the part of the lien claimant to enforce the lien has been dismissed, or a judgment has been rendered against the claimant in such action. (1969, c. 684.)

#### ARTICLE 9B.

#### *Attachment or Garnishment and Lien for Ambulance Service in Certain Counties.*

**§ 44-51.4. Attachment or garnishment for county or city ambulance service.** — Whenever ambulance services are provided by a county, by a county-franchised ambulance service supplemented by county funds, or by a municipally owned and operated ambulance service and a recipient of such ambulance services or one legally responsible for the support of a recipient of such services fails to pay charges fixed for such services for a period of 90 days after the rendering of such services, the county or municipality providing the ambulance services may treat the amount due for such services as if it were a tax due to the county or municipality and may proceed to collect the amount due through the use of attachment and garnishment proceedings as set out in G.S. 105-368. (1969, c. 708, s. 1; 1973, c. 1366, s. 1; 1975, c. 595, s. 2.)

##### **Editor's Note.—**

The 1973 amendment inserted "by a county-franchised ambulance service supplemented by county funds" near the beginning of the section.

The 1975 amendment substituted "G.S. 105-368" for "G.S. 105-385(d)" at the end of the section.

**§ 44-51.5. General lien for county or city ambulance service.** — There is hereby created a general lien upon the real property of any person who has been furnished ambulance service by a county, by a county-franchised ambulance service supplemented by county funds, or municipal agency or at the expense of a county or municipal government or upon the real property of one legally responsible for the support of any person who has been furnished such ambulance service. (1969, c. 708, s. 2; 1973, c. 1366, s. 2.)

**Editor's Note.** — The 1973 amendment inserted "by a county-franchised ambulance service supplemented by county funds" near the middle of the section.

**§ 44-51.6. Lien to be filed.** — No lien created by § 44-51.5 shall be valid but from the time of filing in the office of the clerk of superior court a statement containing the name and address of the person against whom the lien is claimed, the name of the county or municipality claiming the lien, the amount of the unpaid charge for ambulance service, and the date and place of furnishing the ambulance service for which charges are asserted and the lien claimed. No lien under this section shall be valid unless filed after ninety days of the date of the furnishing of ambulance service, and within one hundred eighty days of the date of the furnishing of ambulance service. (1969, c. 708, s. 3.)



**§ 44-51.7. Discharging lien.** — Liens created by § 44-51.5 may be discharged as follows:

- (1) By filing with the clerk of superior court a receipt of acknowledgment, signed by the county treasurer, that the lien has been paid or discharged;
- (2) By depositing with the clerk of superior court money equal to the amount of the claim, which money shall be held for the benefit of the claimant; or
- (3) By an entry in the lien docket that the action on the part of the lien claimant to enforce the lien has been dismissed, or a judgment has been rendered against the claimant in such action. (1969, c. 708, s. 4.)

**§ 44-51.8. Counties to which Article applies.** — The provisions of this Article shall apply only to Alamance, Anson, Bladen, Brunswick, Buncombe, Burke, Cabarrus, Caldwell, Caswell, Catawba, Cherokee, Columbus, Davidson, Edgecombe, Forsyth, Franklin, Gaston, Granville, Greene, Guilford, Halifax, Hertford, Hoke, Johnston, Jones, Lee, Lenoir, Lincoln, Madison, Mitchell, Montgomery, Moore, Nash, Onslow, Pasquotank, Person, Pitt, Richmond, Robeson, Rockingham, Rutherford, Sampson, Scotland, Stanly, Stokes, Vance, Wake, Warren, Washington, Watauga, Wilkes, Wilson, and Yancey Counties. (1969, c. 708, s. 5; c. 1197; 1971, c. 132; 1973, c. 880, s. 1; cc. 887, 894, 907, 1182; 1975, c. 595, s. 1.)

**Editor's Note.** — The 1969 amendment inserted Hertford in the list of counties.

The 1971 amendment inserted Washington in the list of counties.

The first 1973 amendment inserted Alamance, the second 1973 amendment inserted Stanly and Rutherford, the third 1973 amendment inserted

Stokes, the fourth 1973 amendment inserted Burke and Cherokee and the fifth 1973 amendment inserted Cabarrus and Sampson in the list of counties.

The 1975 amendment inserted Wake in the list of counties.

## ARTICLE 10.

### *Agricultural Liens for Advances.*

**§§ 44-52 to 44-64:** Repealed by Session Laws 1965, c. 700, s. 2, effective at midnight June 30, 1967.

## ARTICLE 11.

### *Uniform Federal Tax Lien Registration Act.*

**§§ 44-65 to 44-68:** Repealed by Session Laws 1969, c. 216, effective October 1, 1969.

**Cross reference.** — See Editor's note to § 44-68.1.

**Editor's Note.** — Prior to its repeal by Session Laws 1969, c. 216, § 44-66 had been amended by Session Laws 1969, c. 80, s. 10.

**§ 44-68.1. Federal tax lien; place of filing.** — (a) Notices of liens upon real property for taxes payable to the United States, and certificates and notices affecting the liens shall be filed in the office of the clerk of superior court of the county in which the real property subject to a federal tax lien is situated.



(b) Notices of liens upon personal property, whether tangible or intangible, for taxes payable to the United States and certificates and notices affecting the liens shall be filed as follows:

- (1) If the person against whose interest the tax lien applies is a corporation or a partnership whose principal executive office is in this State, as these entities are defined in the internal revenue laws of the United States, in the office of the Secretary of State;
- (2) In all other cases in the office of the clerk of superior court of the county where the taxpayer resides at the time of filing of the notice of lien. (Ex. Sess. 1924, c. 44, s. 1; 1969, c. 216.)

**Editor's Note.** — Session Laws 1969, c. 216, 68, and enacted present article 11, effective Oct. 1, 1969, in lieu thereof. repealed former article 11, entitled "Liens for Internal Revenue," consisting of §§ 44-65 to 44-

**§ 44-68.2. Execution of notices and certificates.** — Certificate by the secretary of the treasury of the United States or his delegate of notices of liens, certificates, or other notices affecting tax liens entitles them to be filed and no other attestation, certification, or acknowledgment is necessary. (1969, c. 216.)

**§ 44-68.3. Duties of filing officer.** — (a) If a notice of federal tax lien, a refiling of a notice of tax lien, or a notice of revocation of any certificate described in subsection (b) is presented to the filing officer and

- (1) He is the Secretary of State, he shall cause the notice to be marked, held and indexed in accordance with the provisions of § 25-9-403 (4) of the Uniform Commercial Code as if the notice were a financing statement within the meaning of that Code; or

- (2) He is the clerk of superior court, he shall endorse and stamp thereon the name of the office in which it is presented and the date and time of receipt, and shall file, alphabetically index, and docket the notice so that the docket shows the name and address of the person named in the notice, the date and time of receipt, the serial number of the district director, and the total unpaid balance of the assessment appearing on the notice of lien. No administrative rules or regulations shall be made which modify or are inconsistent with the Federal Tax Lien Act and this article.

(b) If a certificate of release, nonattachment, discharge or subordination of any tax lien is presented to the Secretary of State for filing he shall

- (1) Cause a certificate of release or nonattachment to be marked, held and indexed as if the certificate were a termination statement within the meaning of the Uniform Commercial Code, except that the notice of lien to which the certificate relates shall not be removed from the files, and
- (2) Cause a certificate of discharge or subordination to be held, marked and indexed as if the certificate were a release of collateral within the meaning of the Uniform Commercial Code.

(c) If a refiling notice of federal tax lien referred to in subsection (a) or any of the certificates or notices referred to in subsection (b) is presented for filing with the clerk of superior court, he shall endorse or stamp thereon the name of the office in which it is presented and the date and time of receipt, permanently attach the refiled notice or certificate to the original notice of lien, alphabetically index the same and docket the notice or certificate on the same page where the original notice of lien is docketed.

(d) Upon request of any person, the filing officer shall issue his certificate showing whether there is on file, on the date and time stated therein, any notice of federal tax lien or certificate or notice affecting the lien, filed on or after October 1, 1969, naming a particular person, and if a notice or certificate is on



file, giving the date and time of receipt of each notice or certificate. Upon request the filing officer shall furnish a copy of any notice of federal tax lien or notice or certificate affecting a federal tax lien. (Ex. Sess. 1924, c. 44, ss. 2, 3; 1953, c. 1106, ss. 1, 2; 1963, c. 544; 1969, c. 216.)

**§ 44-68.4. Fees.** — (a) The fee for filing and indexing each notice of lien or certificate or notice affecting the tax lien in the office of the Secretary of State is:

- (1) For a tax lien on tangible and intangible personal property, two dollars (\$2.00);
- (2) For a certificate of discharge or subordination, two dollars (\$2.00);
- (3) For all other notices, including a certificate of release or nonattachment, one dollar (\$1.00).

(b) The fee for furnishing the certificate provided for in § 44-68.3 (d) in the office of the Secretary of State is two dollars (\$2.00), and the fee for furnishing copies provided for in § 44-68.3 (d) is one dollar (\$1.00) per page.

(c) The fee for filing and indexing each notice of lien or certificate or notice affecting the tax lien in the office of the clerk of superior court and the fee for furnishing the certificate or copies provided for in § 44-68.3 (d), is as provided in G.S. 7A-308.

(d) The officer shall bill the district directors of internal revenue on a monthly basis for fees for documents filed by them. (1969, c. 216.)

**§ 44-68.5. Tax liens and notices filed before October 1, 1969.** — Federal tax liens, certificates and notices affecting such liens filed before October 1, 1969, and the indexes thereto shall be transferred and maintained in the offices of the clerks of court. If a notice of lien was filed before October 1, 1969, any certificate or notice affecting the lien shall, after May 14, 1973, be filed in the offices of the clerks of court. (1969, c. 216; 1973, c. 480.)

**Editor's Note.** — The 1973 amendment rewrote this section.

**§ 44-68.6. Uniformity of interpretation.** — This article shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states which enact it. (1969, c. 216.)

**§ 44-68.7. Short title.** — This article may be cited as the Uniform Federal Tax Lien Registration Act. (1969, c. 216.)

## ARTICLE 12.

### *Liens on Leaf Tobacco, Peanuts, Cotton and Grains.*

**§ 44-69. Effective period for lien on leaf tobacco sold in auction warehouse.** — No chattel mortgage, agricultural lien, or other lien of any nature upon leaf tobacco shall be effective for any purpose for a longer period than six months after the sale of such tobacco at a regular sale in an auction tobacco warehouse during the regular season for auction sales of tobacco in such warehouse. This section shall not absolve any person from prosecution and punishment for crime. (1943, c. 642, s. 1; 1975, c. 318.)

**Editor's Note.** — The 1975 amendment reenacted this section without change. property not governed by the Uniform Commercial Code, see 44 N.C.L. Rev. 322 (1966).  
For article concerning liens on personal



**§ 44-69.1. Effective period for liens on peanuts, cotton and grains.** — No chattel mortgage, agricultural lien or other lien of any nature upon peanuts, cotton, soybeans, corn, wheat or other grains shall be effective for any purpose for a longer period than 18 months from the date of sale or the date of delivery to the purchaser, whichever date shall fall last. This section shall not absolve any person from prosecution and punishment for crime. (1955, c. 266; 1975, c. 318.)

**Editor's Note.** — The 1975 amendment inserted "cotton, soybeans, corn, wheat or other grains" and substituted "18 months from the date of sale or the date of delivery to the purchaser, whichever date shall fall last" for

"six months from the date of sale by the lienor" in the first sentence. The 1975 amendatory act provides that it shall not apply to pending litigation.

### ARTICLE 13.

#### *Factors' Liens.*

**§§ 44-70 to 44-76:** Repealed by Session Laws 1965, c. 700, s. 2, effective at midnight June 30, 1967.

### ARTICLE 14.

#### *Assignment of Accounts Receivable and Liens Thereon.*

**§§ 44-77 to 44-85:** Repealed by Session Laws 1965, c. 700, s. 2, effective at midnight June 30, 1967.



**Chapter 44A.****Statutory Liens and Charges.****Article 1.****Possessory Liens on Personal Property.**

Sec.

- 44A-1. Definitions.
- 44A-2. Persons entitled to lien on personal property.
- 44A-3. When lien arises and terminates.
- 44A-4. Enforcement of lien.
- 44A-5. Proceeds of sale.
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**Article 2.****Part 1. Statutory Liens on Real Property.**

Liens of Mechanics, Laborers and  
Materialmen Dealing with Owner.

- 44A-7. Definitions.
- 44A-8. Mechanics', laborers' and materialmen's lien; persons entitled to lien.
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- 44A-12. Filing claim of lien.
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- 44A-15. Attachment available to lien claimant.
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**Part 2. Statutory Liens on Real Property.**

Liens of Mechanics, Laborers and  
Materialmen Dealing with One  
Other Than Owner.

- 44A-17. Definitions.

Sec.

- 44A-18. Grant of lien; subrogation; perfection.
- 44A-19. Notice to obligor.
- 44A-20. Duties and liability of obligor.
- 44A-21. Pro rata payments.
- 44A-22. Priority of liens.
- 44A-23. Contractor's lien; subrogation rights of subcontractor.

**Part 3. Criminal Sanctions.**

Criminal Sanctions for Furnishing a False  
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- 44A-24. False statement a misdemeanor.

**Article 3.****Model Payment and Performance Bond.**

- 44A-25. Definitions.
- 44A-26. Bonds required.
- 44A-27. Actions on payment bonds; service of notice.
- 44A-28. Actions on payment bonds; venue and limitations.
- 44A-29. Limitation of liability of a surety.
- 44A-30. Variance of liability; contents of bond.
- 44A-31. Certified copy of bond and contract.
- 44A-32. Designation of official; violation a misdemeanor.
- 44A-33. Form.

**ARTICLE 1.*****Possessory Liens on Personal Property.*****§ 44A-1. Definitions.** — As used in this article

- (1) "Legal possessor" means
  - a. Any person entrusted with possession of personal property by an owner thereof, or
  - b. Any person in possession of personal property and entitled thereto by operation of law.
- (2) "Lienor" means any person entitled to a lien under this article.
- (3) "Owner" means
  - a. Any person having legal title to the property, or
  - b. A lessee of the person having legal title, or
  - c. A debtor entrusted with possession of the property by a secured party, or
  - d. A secured party entitled to possession, or
  - e. Any person entrusted with possession of the property by his employer or principal who is an owner under any of the above.



- (4) "Secured party" means a person holding a security interest.
- (5) "Security interest" means any interest in personal property which interest is subject to the provisions of article 9 of the Uniform Commercial Code, or any other interest intended to create security in real or personal property. (1967, c. 1029, s. 1.)

**Editor's Note.** — Session Laws 1967, c. 1029, s. 1, which added this article, became effective at midnight June 30, 1967.

For article concerning liens on personal property not governed by the Uniform Commercial Code, see 44 N.C.L. Rev. 322 (1966).

**Cited in** Floyd S. Pike Elec. Contractor v. Goodwill Missionary Baptist Church, 25 N.C. App. 563, 214 S.E.2d 276 (1975).

**§ 44A-2. Persons entitled to lien on personal property.** — (a) Any person who tows, alters, repairs, stores, services, treats, or improves personal property other than a motor vehicle in the ordinary course of his business pursuant to an express or implied contract with an owner or legal possessor of the personal property has a lien upon the property. The amount of the lien shall be the lesser of

- (1) The reasonable charges for the services and materials; or
- (2) The contract price; or
- (3) One hundred dollars (\$100.00) if the lienor has dealt with a legal possessor who is not an owner.

This lien shall have priority over perfected and unperfected security interests.

(b) Any person engaged in the business of operating a hotel, motel, or boardinghouse has a lien upon all baggage, vehicles and other personal property brought upon his premises by a guest or boarder who is an owner thereof to the extent of reasonable charges for the room, accommodations and other items or services furnished at the request of the guest or boarder. This lien shall not have priority over any security interest in the property which is perfected at the time the guest or boarder brings the property to said hotel, motel or boardinghouse.

(c) Any person engaged in the business of boarding animals has a lien on the animals boarded for reasonable charges for such boarding which are contracted for with an owner or legal possessor of the animal. This lien shall have priority over perfected and unperfected security interests.

(d) Any person who repairs, services, tows, or stores motor vehicles in the ordinary course of his business pursuant to an express or implied contract with an owner or legal possessor of the motor vehicle has a lien upon the motor vehicle for reasonable charges for such repairs, servicing, towing, or storing. This lien shall have priority over perfected and unperfected security interests.

(e) The lessor of any house, room, apartment, office, store or other demised premises has a lien on all furniture, household furnishings, trade fixtures, equipment and other personal property remaining on the demised premises 60 or more days after the tenant having legal title to such property has vacated the premises, unless the tenant has continued to pay the rental or unless the lessor, or his agent, and the tenant have an agreement to the contrary. This lien shall be for the amount of any rents which were due the lessor at the time the tenant vacated the premises and for the time, up to 60 days, from the vacating of the premises to the date of sale; and for any sums necessary to repair damages to the premises caused by the tenant, normal wear and tear excepted; and for reasonable costs and expenses of sale. The lien created by this subsection shall be enforced by sale at a public sale pursuant to the provisions of G.S. 44A-4(d). This lien shall not have priority over any security interest in the property which is perfected at the time the lessor acquires this lien.



(f) Any person who improves any textile goods in the ordinary course of his business pursuant to an express or implied contract with the owner or legal possessor of such goods shall have a lien upon all goods of such owner or possessor in his possession for improvement. The amount of such lien shall be for the entire unpaid contracted charges owed such person for improvement of said goods including any amount owed for improvement of goods, the possession of which may have been relinquished, and such lien shall have priority over perfected and unperfected security interests. "Goods" as used herein includes any textile goods, yarns or products of natural or man-made fibers or combination thereof. "Improve" as used herein shall be construed to include processing, fabricating or treating by throwing, spinning, knitting, dyeing, finishing, fabricating or otherwise. (1967, c. 1029, s. 1; 1971, cc. 261, 403; c. 544, s. 1; c. 1197; 1973, c. 1298, s. 1; 1975, c. 461.)

**Editor's Note.** — The first 1971 amendment added subsection (d).

The second 1971 amendment inserted "tows" and "stores" in the first sentence of subsection (a).

The third 1971 amendment, effective July 1, 1971, added subsection (e).

The fourth 1971 amendment inserted "other than a motor vehicle" in the first sentence of subsection (a).

The 1973 amendment, effective Jan. 1, 1975, deleted "and which become due and payable within 90 days preceding the mailing of notice of sale provided for in G.S. 44A-4" following "animal" at the end of the first sentence of subsection (c).

The 1975 amendment, effective July 1, 1975, added subsection (f).

Session Laws 1971, c. 544, s. 3, contains a severability clause.

Session Laws 1973, c. 1298, s. 1.1, provides: "No lien will arise from a contract entered into prior to March 27th, 1974."

**Provisions for Retention of Motor Vehicle Are Not Unconstitutional.** — The provisions of the possessory lien statute which provide for the retention of the motor vehicle by any person who

repairs, services, tows or stores such vehicles in his business, without prior notice or hearing, do not violate the due process clause of the Fourteenth Amendment. *Caesar v. Kiser*, 387 F. Supp. 645 (M.D.N.C. 1975).

This section and § 44A-3 are codifications of the common-law principle that a garageman has a possessory interest in a vehicle left in his care by the owner or legal possessor and in which he has invested labor and materials. *Caesar v. Kiser*, 387 F. Supp. 645 (M.D.N.C. 1975).

The lienor's possessory interest represents a balancing of the interests between ownership rights and the right of a craftsman to have security for payment for his service. *Caesar v. Kiser*, 387 F. Supp. 645 (M.D.N.C. 1975).

**Lien Held Terminated When Object Relinquished.** — Any possessory lien which defendant might have acquired under this section for its prior services was terminated when defendant voluntarily relinquished possession of lien's object to plaintiff after completion of the work. *Adder v. Holman & Moody, Inc.*, 25 N.C. App. 588, 214 S.E.2d 227 (1975).

**§ 44A-3. When lien arises and terminates.** — Liens conferred under this article arise only when the lienor acquires possession of the property and terminate and become unenforceable when the lienor voluntarily relinquishes the possession of the property upon which a lien might be claimed, or when an owner, his agent, a legal possessor or any other person having a security or other interest in the property tenders prior to sale the amount secured by the lien plus reasonable storage, boarding and other expenses incurred by the lienor. The reacquisition of possession of property voluntarily relinquished shall not reinstate the lien. (1967, c. 1029, s. 1.)

**Provisions for Retention of Motor Vehicle Are Not Unconstitutional.** — The provisions of the possessory lien statute which provide for the retention of the motor vehicle by any person who repairs, services, tows or stores such vehicles in his business, without prior notice or hearing, do not violate the due process clause of the

Fourteenth Amendment. *Caesar v. Kiser*, 387 F. Supp. 645 (M.D.N.C. 1975).

This section and § 44A-2 are codifications of the common-law principle that a garageman has a possessory interest in a vehicle left in his care by the owner or legal possessor and in which he has invested labor and materials.



Caesar v. Kiser, 387 F. Supp. 645 (M.D.N.C. 1975).

**The lienor's possessory interest represents a balancing of the interests** between ownership rights and the right of a craftsman to have security for payment for his service. Caesar v. Kiser, 387 F. Supp. 645 (M.D.N.C. 1975).

**Possession is necessary to the existence of the lien.** Adder v. Holman & Moody, Inc., 25 N.C. App. 588, 214 S.E.2d 227 (1975).

**The reacquisition of possession of property voluntarily relinquished shall not reinstate the**

**lien.** Adder v. Holman & Moody, Inc., 25 N.C. App. 588, 214 S.E.2d 227 (1975).

**Lien Held Terminated When Object Relinquished.** — Any possessory lien which defendant might have acquired under § 44A-2 for its prior services was terminated when defendant voluntarily relinquished possession of lien's object to plaintiff after completion of the work. Adder v. Holman & Moody, Inc., 25 N.C. App. 588, 214 S.E.2d 227 (1975).

**§ 44A-4. Enforcement of lien.** — (a) **Enforcement by Sale.** — If the charges for which the lien is claimed under this Article remain unpaid or unsatisfied for 30 days following the maturity of the obligation to pay any such charges, the lienor may enforce the lien by public or private sale as provided in this section. The lienor may bring an action on the debt in any court of competent jurisdiction at any time following maturity of the obligation. Failure of the lienor to bring such action within a 180-day period following the commencement of storage shall constitute a waiver of any right to collect storage charges which accrue after such period.

The owner or person with whom the lienor dealt may at any time following the maturity of the obligation bring an action in any court of competent jurisdiction as by law provided. If in any such action the owner or other party requests immediate possession of the property and pays the amount of the lien asserted into the clerk of the court in which such action is pending or posts bond for double such amount, the clerk shall issue an order to the lienor to relinquish possession of the property to the owner or other party.

(b) **Notice and Hearing.** — (1) If the property upon which the lien is claimed is a motor vehicle that is required to be registered, the lienor following the expiration of the 30-day period provided by subsection (a) shall give notice to the Department of Motor Vehicles that a lien is asserted and sale is proposed and shall remit to the Department a fee of two dollars (\$2.00). The Department of Motor Vehicles shall issue notice by registered or certified mail, return receipt requested, to the person having legal title to the property, if reasonably ascertainable, and to the person with whom the lienor dealt if different. Such notice shall state that a lien has been asserted against specific property and shall identify the lienor, the date that the lien arose, the general nature of the services performed and materials used or sold for which the lien is asserted, the amount of the lien, and that the lienor intends to sell the property in satisfaction of the lien. The notice shall inform the recipient that the recipient has the right to a judicial hearing at which time a determination will be made as to the validity of the lien prior to a sale taking place. The notice shall further state that the recipient has a period of 10 days from the date of receipt in which to notify the Department by registered or certified mail, return receipt requested, that a hearing is desired and that if the recipient wishes to contest the sale of his property pursuant to such lien, the recipient should notify the Department that a hearing is desired and the Department shall notify lienor. The notice shall state the required information in simplified terms and shall contain a form whereby the recipient may notify the Department that a hearing is desired by the return of such form to the Department. Failure of the recipient to notify the Department within 10 days of the receipt of such notice that a hearing is desired shall be deemed a waiver of the right to a hearing prior to sale of the property against which the lien is asserted, the Department shall notify the lienor, and the lienor may proceed to enforce the lien by public or private sale as provided in this section and the Department shall transfer title to the property pursuant



to such sale. If the Department is notified within the 10-day period provided above that a hearing is desired prior to sale, the lien may be enforced by sale as provided in this section and the Department will transfer title only pursuant to the order of a court of competent jurisdiction.

(2) If the property upon which the lien is claimed is other than a motor vehicle required to be registered, the lienor following the expiration of the 30-day period provided by subsection (a) shall issue notice to the person having legal title to the property, if reasonably ascertainable, and to the person with whom the lienor dealt if different by registered or certified mail, return receipt requested. Such notice shall state that a lien has been asserted against specific property and shall identify the lienor, the date that the lien arose, the general nature of the services performed and materials used or sold for which the lien is asserted, the amount of the lien, and that the lienor intends to sell the property in satisfaction of the lien. The notice shall inform the recipient that the recipient has the right to a judicial hearing at which time a determination will be made as to the validity of the lien prior to a sale taking place. The notice shall further state that the recipient has a period of 10 days from the date of receipt in which to notify the lienor by registered or certified mail, return receipt requested, that a hearing is desired and that if the recipient wishes to contest the sale of his property pursuant to such lien, the recipient should notify the lienor that a hearing is desired. The notice shall state the required information in simplified terms and shall contain a form whereby the recipient may notify the lienor that a hearing is desired by the return of such form to the lienor. Failure of the recipient to notify the lienor within 10 days of the receipt of such notice that a hearing is desired shall be deemed a waiver of the right to a hearing prior to sale of the property against which the lien is asserted and the lienor may proceed to enforce the lien by public or private sale as provided in this section. If the lienor is notified within the 10-day period provided above that a hearing is desired prior to sale, the lien may be enforced by sale as provided in this section only pursuant to the order of a court of competent jurisdiction.

(c) Private Sale. — Sale by private sale may be made in any manner that is commercially reasonable. Not less than 30 days prior to the date of the proposed private sale, the lienor shall cause notice to be mailed, as provided in subsection (f) hereof, to the person having legal title to the property, if reasonably ascertainable, to the person with whom the lienor dealt if different, and to each secured party or other person claiming an interest in the property who is actually known to the lienor or can be reasonably ascertained. Notices provided pursuant to subsection (b) hereof shall be sufficient for these purposes if such notices contain the information required by subsection (f) hereof. The lienor shall not purchase, directly or indirectly, the property at private sale and such a sale to the lienor shall be voidable.

(d) Request for Public Sale. — If an owner, the person with whom the lienor dealt, any secured party, or other person claiming an interest in the property notifies the lienor prior to the date upon or after which the sale by private sale is proposed to be made, that public sale is requested, sale by private sale shall not be made. After request for public sale is received, notice of public sale must be given as if no notice of sale by private sale had been given.

(e) Public Sale. — (1) Not less than 20 days prior to sale by public sale the lienor:

- a. Shall cause notice to be mailed to the person having legal title to the property if reasonably ascertainable, to the person with whom the lienor dealt if different, and to each secured party or other person



claiming an interest in the property who is actually known to the lienor or can be reasonably ascertained, provided that notices provided pursuant to subsection (b) hereof shall be sufficient for these purposes if such notices contain the information required by subsection (f) hereof; and

- b. Shall advertise the sale by posting a copy of the notice of sale at the courthouse door in the county where the sale is to be held and by publishing notice of sale once per week for two consecutive weeks in a newspaper of general circulation in the same county.
- (2) A public sale must be held on a day other than Sunday and between the hours of 10:00 A.M. and 4:00 P.M.:
  - a. In any county where any part of the contract giving rise to the lien was performed, or
  - b. In the county where the obligation secured by the lien was contracted for.
- (3) A lienor may purchase at public sale.
- (f) Notice of Sale. — The notice of sale shall include:
  - (1) The name and address of the lienor;
  - (2) The name of the person having legal title to the property if such person can be reasonably ascertained and the name of the person with whom the lienor dealt;
  - (3) A description of the property;
  - (4) The amount due for which the lien is claimed;
  - (5) The place of the sale;
  - (6) If a private sale the date upon or after which the sale is proposed to be made, or if a public sale the date and hour when the sale is to be held.
- (g) Damages for Noncompliance. — If the lienor fails to comply substantially with any of the provisions of this section, the lienor shall be liable to the person having legal title to the property or any other party injured by such noncompliance in the sum of one hundred dollars (\$100.00), together with a reasonable attorney's fee as awarded by the court. Damages provided by this section shall be in addition to actual damages to which any party is otherwise entitled. (1967, c. 1029, s. 1; 1975, c. 438, s. 1.)

**Editor's Note.** — The 1975 amendment rewrote this section.

**Former Provisions as to Sale Unconstitutional.** — The sale provision of this section as it stood before the 1975 amendment permitted the sale of motor vehicles by a lienor without affording the owner an opportunity for notice and a hearing to judicially determine the validity of the underlying debt, and in this respect the statute violated the due process clause of the Fourteenth Amendment. *Caesar v. Kiser*, 387 F. Supp. 645 (M.D.N.C. 1975).

**"State Action" Involved.** — The State is actively involved in the creation and the enforcement of the lien on motor vehicles and such must be held to constitute "state action" as that term is used in 42 U.S.C. § 1983. *Caesar v. Kiser*, 387 F. Supp. 645 (M.D.N.C. 1975).

Under North Carolina law, the sale could not be accomplished without the affirmative acts of the Department (now Division) of Motor Vehicles in transferring the indicia of ownership. *Caesar v. Kiser*, 387 F. Supp. 645 (M.D.N.C. 1975).

**Lienor May Not Sell Vehicle without Prior Judicial Determination or Owner's Waiver.** — The lienor may still retain his possessory lien on the motor vehicle if the owner or legal possessor fails to pay his charges, but the lienor may not, without a prior judicial determination or the owner's waiver, sell the motor vehicle to satisfy his claim. *Caesar v. Kiser*, 387 F. Supp. 645 (M.D.N.C. 1975).

**§ 44A-5. Proceeds of sale.** — The proceeds of the sale shall be applied as follows:



- (1) Payment of reasonable expenses incurred in connection with the sale. Expenses of sale include but are not limited to reasonable storage and boarding expenses after giving notice of sale.
- (2) Payment of the obligation secured by the lien.
- (3) Any surplus shall be paid to the person entitled thereto; but when such person cannot be found, the surplus shall be paid to the clerk of superior court of the county in which the sale took place, to be held by the clerk for the person entitled thereto. (1967, c. 1029, s. 1; 1971, c. 544, s. 2.)

**Editor's Note.** — The 1971 amendment, Session Laws 1971, c. 544, s. 3, contains a severability clause. effective July 1, 1971, added that part of subdivision (3) following the semicolon.

**§ 44A-6. Title of purchaser.** — A purchaser for value at a properly conducted sale, and a purchaser for value without constructive notice of a defect in the sale who is not the lienor or an agent of the lienor, acquires title to the property free of any interests over which the lienor was entitled to priority. (1967, c. 1029, s. 1.)

**Applied in** *Caesar v. Kiser*, 387 F. Supp. 645 (M.D.N.C. 1975).

## ARTICLE 2.

### Part 1. Statutory Liens on Real Property.

#### Liens of Mechanics, Laborers and Materialmen Dealing with Owner.

**§ 44A-7. Definitions.** — Unless the context otherwise requires in this Article:

- (1) "Improve" means to build, effect, alter, repair, or demolish any improvement upon, connected with, or on or beneath the surface of any real property, or to excavate, clear, grade, fill or landscape any real property, or to construct driveways and private roadways, or to furnish materials, including trees and shrubbery, for any of such purposes, or to perform any labor upon such improvements, and shall also mean and include any design or other professional or skilled services furnished by architects, engineers, land surveyors and landscape architects registered under Chapter 83, 89 or 89A of the General Statutes.
- (2) "Improvement" means all or any part of any building, structure, erection, alteration, demolition, excavation, clearing, grading, filling, or landscaping, including trees and shrubbery, driveways, and private roadways, on real property.
- (3) An "owner" is a person who has an interest in the real property improved and for whom an improvement is made and who ordered the improvement to be made. "Owner" includes successors in interest of the owner and agents of the owner acting within their authority.
- (4) "Real property" means the real estate that is improved, including lands, leaseholds, tenements and hereditaments, and improvements placed thereon. (1969, c. 1112, s. 1; 1975, c. 715, s. 1.)

**Editor's Note.** — Session Laws 1969, c. 1112, s. 5.1, makes the act effective Jan. 1, 1970, and s. 4.1 provides that the act shall not apply to pending litigation.

The 1975 amendment, effective July 1, 1975, added at the end of subdivision (1) the language beginning "and shall also mean and include."



Cited in *Meads v. Davis*, 22 N.C. App. 479, 206 S.E.2d 868 (1974).

**§ 44A-8. Mechanics', laborers' and materialmen's lien; persons entitled to lien.** — Any person who performs or furnishes labor or professional design or surveying services or furnishes materials pursuant to a contract, either express or implied, with the owner of real property for the making of an improvement thereon shall, upon complying with the provisions of this Article, have a lien on such real property to secure payment of all debts owing for labor done or professional design or surveying services or material furnished pursuant to such contract. (1969, c. 1112, s. 1; 1975, c. 715, s. 2.)

**Editor's Note.** — The 1975 amendment, effective July 1, 1975, inserted "or professional design or surveying services" near the beginning and again near the end of the section.

**Third Party Contract Not Implied.** — This Article does not provide an exception to the principle that where there is a contract between persons for the furnishing of services or goods to a third, the latter is not liable on an implied contract simply because he has received such services or goods. *Suffolk Lumber Co. v. White*, 12 N.C. App. 27, 182 S.E.2d 215 (1971).

**Plaintiff Must Prove Performance Pursuant to Contract with Defendant.** — Plaintiff has the burden of showing, not only that it performed labor or furnished materials for the making of an improvement on defendants' property, but also that the labor was performed or the

materials were furnished pursuant to a contract, either express or implied, with defendants. *Wilson Elec. Co. v. Robinson*, 15 N.C. App. 201, 189 S.E.2d 758 (1972).

**And Absence of Contract Justified Dismissal.** — Where much of the evidence offered by plaintiff and all of the evidence offered by defendants tended to show that plaintiff's contract was with the general contractor employed to build the house, and not with defendants, the trial court acted properly in accepting the verdict of the jury and entering judgment dismissing the plaintiff's claim. *Wilson Elec. Co. v. Robinson*, 15 N.C. App. 201, 189 S.E.2d 758 (1972).

Cited in *Pegram-West, Inc. v. Hiatt Homes, Inc.*, 12 N.C. App. 519, 184 S.E.2d 65 (1971).

**§ 44A-9. Extent of lien.** — Liens authorized under the provisions of this article shall extend to the improvement and to the lot or tract on which the improvement is situated, to the extent of the interest of the owner. When the lot or tract on which a building is erected is not surrounded at the time of making the contract with the owner by an enclosure separating it from adjoining land of the same owner, the lot or tract to which any lien extends shall be such area as is reasonably necessary for the convenient use and occupation of such building, but in no case shall the area include a building, structure, or improvement not normally used or occupied or intended to be used or occupied with the building with respect to which the lien is claimed. (1969, c. 1112, s. 1.)

**§ 44A-10. Effective date of liens.** — Liens granted by this article shall relate to and take effect from the time of the first furnishing of labor or materials at the site of the improvement by the person claiming the lien. (1969, c. 1112, s. 1.)

Cited in *Wachovia Bank & Trust Co. v. Harris*, 455 F.2d 841 (4th Cir. 1972).

**§ 44A-11. Perfecting liens.** — Liens granted by this article shall be perfected as of the time set forth in G.S. 44A-10 upon filing of claim of lien pursuant to G.S. 44A-12 and may be enforced pursuant to G.S. 44A-13. (1969, c. 1112, s. 1.)

**§ 44A-12. Filing claim of lien.** — (a) **Place of Filing.** — All claims of lien against any real property must be filed in the office of the clerk of superior court in each county wherein the real property subject to the claim of lien is located.



The clerk of superior court shall note the claim of lien on the judgment docket and index the same under the name of the record owner of the real property at the time the claim of lien is filed. An additional copy of the claim of lien may also be filed with any receiver, referee in bankruptcy or assignee for benefit of creditors who obtains legal authority over the real property.

(b) Time of Filing. — Claims of lien may be filed at any time after the maturity of the obligation secured thereby but not later than 120 days after the last furnishing of labor or materials at the site of the improvement by the person claiming the lien.

(c) Contents of Claim of Lien to Be Filed. — All claims of lien must be filed using a form substantially as follows:

CLAIM OF LIEN

- (1) Name and address of the person claiming the lien:
- (2) Name and address of the record owner of the real property claimed to be subject to the lien at the time the claim of lien is filed:
- (3) Description of the real property upon which the lien is claimed: (Street address, tax lot and block number, reference to recorded instrument, or any other description of real property is sufficient, whether or not it is specific, if it reasonably identifies what is described.)
- (4) Name and address of the person with whom the claimant contracted for the furnishing of labor or materials:
- (5) Date upon which labor or materials were first furnished upon said property by the claimant:
- (6) General description of the labor performed or materials furnished and the amount claimed therefor:

.....

Lien Claimant

Filed this ..... day of ....., 19.....

.....

Clerk of Superior Court

A general description of the labor performed or materials furnished is sufficient. It is not necessary for lien claimant to file an itemized list of materials or a detailed statement of labor performed.

(d) No Amendment of Claim of Lien. — A claim of lien may not be amended. A claim of lien may be cancelled by a claimant or his authorized agent or attorney and a new claim of lien substituted therefor within the time herein provided for original filing.

(e) Notice of Assignment of Claim of Lien. — When a claim of lien has been filed, it may be assigned of record by the lien claimant in a writing filed with the clerk of superior court who shall note said assignment in the margin of the judgment docket containing the claim of lien. Thereafter the assignee becomes the lien claimant of record. (1969, c. 1112, s. 1.)

**Editor's Note.** — For article "Transferring North Carolina Real Estate Part I: How the Present System Functions," see 49 N.C.L. Rev. 418 (1971).

**A lien is lost if the steps required to perfect it are not taken in the same manner and within the time prescribed by law.** Strickland v. General Bldg. & Masonry Contractors, 22 N.C. App. 729, 207 S.E.2d 399 (1974).

**Materialman Need Not State in Claim Date of Last Furnishing.** — Although this section clearly requires that a lien be filed within 120 days after the last furnishing of labor or materials, there is no requirement that a mechanic, laborer, or materialman state in his claim of lien the date of the last furnishing. Strickland v. General Bldg. & Masonry



Contractors, 22 N.C. App. 729, 207 S.E.2d 399 (1974).

**Lien Held Void.** — Where plaintiff in the claim of lien stated that materials were last furnished upon the property on March 28, 1973,

and March 28, 1973, was more than 120 days prior to July 27, 1973, when the claim was filed, the lien itself was void. *Strickland v. General Bldg. & Masonry Contractors*, 22 N.C. App. 729, 207 S.E.2d 399 (1974).

**§ 44A-13. Action to enforce lien.** — (a) Where and When Action Instituted. — An action to enforce the lien created by this article may be instituted in any county in which the lien is filed. No such action may be commenced later than 180 days after the last furnishing of labor or materials at the site of the improvement by the person claiming the lien. If the title to the real property against which the lien is asserted is by law vested in a receiver or trustee in bankruptcy, the lien shall be enforced in accordance with the orders of the court having jurisdiction over said real property.

(b) Judgment. — Judgment enforcing a lien under this article may be entered for the principal amount shown to be due, not exceeding the principal amount stated in the claim of lien enforced thereby. The judgment shall direct a sale of the real property subject to the lien thereby enforced. (1969, c. 1112, s. 1.)

**Applied** in *H & B Co. v. Hammond*, 17 N.C. App. 534, 195 S.E.2d 58 (1973).

**Cited** in *T.A. Loving Co. v. Latham*, 15 N.C. App. 441, 190 S.E.2d 248 (1972).

**§ 44A-14. Sale of property in satisfaction of judgment enforcing lien or upon order prior to judgment; distribution of proceeds.** — (a) Execution Sale; Effect of Sale. — Except as provided in subsection (b) of this section, sales under this article and distribution of proceeds thereof shall be made in accordance with the execution sale provisions set out in G.S. 1-339.41 through G.S. 1-339.76. The sale of real property to satisfy a lien granted by this article shall pass all title and interest of the owner to the purchaser, good against all claims or interests recorded, filed or arising after the first furnishing of labor or materials at the site of the improvement by the person claiming a lien.

(b) Sale of Property upon Order Prior to Judgment. — A resident judge of superior court in the district in which the action to enforce the lien is pending, a judge regularly holding the superior courts of the said district, any judge holding a session of superior court, either civil or criminal, in the said district, a special judge of superior court residing in the said district, or the Chief Judge of the District Court in which the action to enforce the lien is pending, may, upon notice to all interested parties and after a hearing thereupon and upon a finding that a sale prior to judgment is necessary to prevent substantial waste, destruction, depreciation or other damage to said real property prior to the final determination of said action, order any real property against which a lien under this article is asserted, sold in any manner determined by said judge to be commercially reasonable. The rights of all parties shall be transferred to the proceeds of the sale. Application for such order and further proceedings thereon may be heard in or out of session. (1969, c. 1112, s. 1.)

**Cited** in *T.A. Loving Co. v. Latham*, 15 N.C. App. 441, 190 S.E.2d 248 (1972).

**§ 44A-15. Attachment available to lien claimant.** — In addition to other grounds for attachment, in all cases where the owner removes or attempts or threatens to remove an improvement from real property subject to a lien under this article, without the written permission of the lien claimant or with the intent to deprive the lien claimant of his lien, the remedy of attachment of the property



subject to the lien shall be available to the lien claimant or any other person. (1969, c. 1112, s. 1.)

**§ 44A-16. Discharge of record lien.** — Any lien filed under this Article may be discharged by any of the following methods:

- (1) The lien claimant of record, his agent or attorney, in the presence of the clerk of superior court may acknowledge the satisfaction of the lien indebtedness, whereupon the clerk of superior court shall forthwith make upon the record of such lien an entry of such acknowledgment of satisfaction, which shall be signed by the lien claimant of record, his agent or attorney, and witnessed by the clerk of superior court.
- (2) The owner may exhibit an instrument of satisfaction signed and acknowledged by the lien claimant of record which instrument states that the lien indebtedness has been paid or satisfied, whereupon the clerk of superior court shall cancel the lien by entry of satisfaction on the record of such lien.
- (3) By failure to enforce the lien within the time prescribed in this Article.
- (4) By filing in the office of the clerk of superior court the original or certified copy of a judgment or decree of a court of competent jurisdiction showing that the action by the claimant to enforce the lien has been dismissed or finally determined adversely to the claimant.
- (5) Whenever a sum equal to the amount of the lien or liens claimed is deposited with the clerk of court, to be applied to the payment finally determined to be due, whereupon the clerk of superior court shall cancel the lien or liens of record.
- (6) Whenever a corporate surety bond, in a sum equal to one and one-fourth ( $1\frac{1}{4}$ ) times the amount of the lien or liens claimed and conditioned upon the payment of the amount finally determined to be due in satisfaction of said lien or liens, is deposited with the clerk of court, whereupon the clerk of superior court shall cancel the lien or liens of record. (1969, c. 1112, s. 1; 1971, c. 766.)

**Editor's Note.** — The 1971 amendment added subdivision (6).

## Part 2. Statutory Liens on Real Property.

### Liens of Mechanics, Laborers and Materialmen Dealing with One Other Than Owner.

**§ 44A-17. Definitions.** — Unless the context otherwise requires in this Article:

- (1) "Contractor" means a person who contracts with an owner to improve real property.
- (2) "First tier subcontractor" means a person who contracts with a contractor to improve real property.
- (3) "Obligor" means an owner, contractor or subcontractor in any tier who owes money to another as a result of the other's partial or total performance of a contract to improve real property.
- (4) "Second tier subcontractor" means a person who contracts with a first tier subcontractor to improve real property.
- (5) "Third tier subcontractor" means a person who contracts with a second tier subcontractor to improve real property. (1971, c. 880, s. 1.)

**Editor's Note.** — Session Laws 1971, c. 880, s. 4, provides: "This act shall become effective on and after October 1, 1971, and shall not affect pending litigation."



**§ 44A-18. Grant of lien; subrogation; perfection.** — Upon compliance with this Article:

- (1) A first tier subcontractor who furnished labor or materials at the site of the improvement shall be entitled to a lien upon funds which are owed to the contractor with whom the first tier subcontractor dealt and which arise out of the improvement on which the first tier subcontractor worked or furnished materials.
- (2) A second tier subcontractor who furnished labor or materials at the site of the improvement shall be entitled to a lien upon funds which are owed to the first tier subcontractor with whom the second tier subcontractor dealt and which arise out of the improvement on which the second tier subcontractor worked or furnished materials. A second tier subcontractor, to the extent of his lien provided in this subdivision, shall also be entitled to be subrogated to the lien of the first tier subcontractor with whom he dealt provided for in subdivision (1) and shall be entitled to perfect it by notice to the extent of his claim.
- (3) A third tier subcontractor who furnished labor or materials at the site of the improvement shall be entitled to a lien upon funds which are owed to the second tier subcontractor with whom the third tier subcontractor dealt and which arise out of the improvement on which the third tier subcontractor worked or furnished materials. A third tier subcontractor, to the extent of his lien provided in this subdivision, shall also be entitled to be subrogated to the lien of the second tier subcontractor with whom he dealt and to the lien of the first tier subcontractor with whom the second tier subcontractor dealt to the extent that the second tier subcontractor is entitled to be subrogated thereto, and in either case shall be entitled to perfect the same by notice to the extent of his claim.
- (4) Subcontractors more remote than the third tier who furnished labor or material at the site of the improvement shall be entitled to a lien upon funds which are owed to the person with whom they dealt and which arise out of the improvement on which they furnished labor or material, but such remote tier subcontractor shall not be entitled to subrogation to the rights of other persons.
- (5) The liens granted under this section shall secure amounts earned by the lien claimant as a result of his having furnished labor or materials at the site of the improvement under the contract to improve real property, whether or not such amounts are due and whether or not performance or delivery is complete.
- (6) The liens granted under this section are perfected upon the giving of notice in writing to the obligor as hereinafter provided and shall be effective upon the receipt thereof by such obligor. (1971, c. 880, s. 1.)

**§ 44A-19. Notice to obligor.** — (a) Notice of a claim of lien shall set forth:

- (1) The name and address of the person claiming the lien,
- (2) A general description of the real property improved,
- (3) The name and address of the person with whom the lien claimant contracted to improve real property,
- (4) The name and address of each person against or through whom subrogation rights are claimed,
- (5) A general description of the contract and the person against whose interest the lien is claimed, and
- (6) The amount claimed by the lien claimant under his contract.

(b) All notices of claims of liens by first, second or third tier subcontractors must be given using a form substantially as follows:



NOTICE OF CLAIM OF LIEN BY  
FIRST, SECOND OR THIRD TIER SUBCONTRACTOR

TO:

1. ...., owner of property involved.  
(Name and address)

2. ...., general contractor.  
(Name and address)

3. ...., first tier subcontractor against or through  
(Name and address) whom subrogation is claimed, if any.

4. ...., second tier subcontractor against or through  
(Name and address) whom subrogation is claimed, if any.

General description of real property where labor performed or material  
furnished:

.....

.....

General description of undersigned lien claimant's contract including the names  
of the parties thereto: .....

.....

The amount of lien claimed pursuant to the above  
described contract: \$ .....

The undersigned lien claimant gives this notice of claim of lien pursuant to  
North Carolina law and claims all rights of subrogation to which he is entitled  
under Part 2 of Article 2 of Chapter 44A of the General Statutes of North  
Carolina.

Dated .....  
....., Lien Claimant  
.....  
(Address)

(c) All notices of claims of liens by subcontractors more remote than the third  
tier must be given using a form substantially as follows:

NOTICE OF CLAIM OF LIEN BY SUBCONTRACTOR  
MORE REMOTE THAN THE THIRD TIER

To:

....., person holding funds against which lien is  
(Name and Address)

claimed.

General description of real property where labor performed or material  
furnished:

.....

.....

General description of undersigned lien claimant's contract including the names  
of the parties thereto: .....

.....

The amount of lien claimed pursuant to the above  
described contract: \$ .....



The undersigned lien claimant gives this notice of claim of lien pursuant to North Carolina law and claims all rights to which he is entitled under Part 2 of Article 2 of Chapter 44A of the General Statutes of North Carolina.

Dated: .....

....., Lien Claimant

.....

(Address)

(1971, c. 880, s. 1.)

**§ 44A-20. Duties and liability of obligor.** — (a) Upon receipt of the notice provided for in this Article the obligor shall be under a duty to retain any funds subject to the lien or liens under this Article up to the total amount of such liens as to which notice has been received.

(b) If, after the receipt of the notice to the obligor, the obligor shall make further payments to a contractor or subcontractor against whose interest the lien or liens are claimed, the lien shall continue upon the funds in the hands of the contractor or subcontractor who received the payment, and in addition the obligor shall be personally liable to the person or persons entitled to liens up to the amount of such wrongful payments, not exceeding the total claims with respect to which the notice was received prior to payment.

(c) If an obligor shall make a payment after receipt of notice and incur personal liability therefor, the obligor shall be entitled to reimbursement and indemnification from the party receiving such payment.

(d) If the obligor is an owner of the property being improved, the lien claimant shall be entitled to a lien upon the interest of the obligor in the real property to the extent of the owner's personal liability under subsection (b), which lien shall be enforced only in the manner set forth in G.S. 44A-7 through G.S. 44A-16 and which lien shall be entitled to the same priorities and subject to the same filing requirements and periods of limitation applicable to the contractor. (1971, c. 880, s. 1.)

**§ 44A-21. Pro rata payments.** — In the event that the funds in the hands of the obligor and the obligor's personal liability, if any, under the previous section [G.S. 44A-20] are less than the amount of valid lien claims that have been filed with the obligor under this Article the parties entitled to liens shall share the funds on a pro rata basis. (1971, c. 880, s. 1.)

**§ 44A-22. Priority of liens.** — Liens perfected under this Article have priority over all other interests or claims theretofore or thereafter created or suffered in the funds by the person against whose interest the lien is asserted, including but not limited to, liens arising from garnishment, attachment, levy, judgment, assignments, security interests, and any other type of transfer, whether voluntary or involuntary. Any person who receives payment from an obligor in bad faith with knowledge of a claim of lien shall take such payment subject to the claim of lien. (1971, c. 880, s. 1.)

**§ 44A-23. Contractor's lien; subrogation rights of subcontractor.** — A first, second or third tier subcontractor, who gives notice as provided in this Article, may, to the extent of his claim, enforce the lien of the contractor created by Part 1 of Article 2 of this Chapter. The manner of such enforcement shall be as provided by G.S. 44A-7 through G.S. 44A-16. Upon the filing of the notice and claim of lien and the commencement of the action, no action of the contractor shall be effective to prejudice the rights of the subcontractor without his written consent. (1971, c. 880, s. 1.)



## Part 3. Criminal Sanctions.

## Criminal Sanctions for Furnishing a False Statement in Connection with Improvement to Real Property.

**§ 44A-24. False statement a misdemeanor.** — If any contractor or other person receiving payment from an obligor for an improvement to real property or from a purchaser for a conveyance of real property with improvements shall knowingly furnish to such obligor, purchaser, or to a lender who obtains a security interest in said real property, or to a title insurance company insuring title to such real property, a false written statement of the sums due or claimed to be due for labor or material furnished at the site of improvements to such real property, then such contractor, subcontractor or other person shall be guilty of a misdemeanor and upon conviction shall be punished by a fine not exceeding one thousand dollars (\$1,000) or by imprisonment not to exceed two years or by both such fine and imprisonment in the discretion of the court. Upon conviction and in the event the court shall grant any defendant a suspended sentence, the court may in its discretion include as a condition of such suspension a provision that the defendant shall reimburse the party who suffered loss on such conditions as the court shall determine are proper.

The elements of the offense herein stated are the furnishing of the false written statement with knowledge that it is false and the subsequent or simultaneous receipt of payment from an obligor or purchaser, and in any prosecution hereunder it shall not be necessary for the State to prove that the obligor, purchaser, lender or title insurance company relied upon the false statement or that any person was injured thereby. (1971, c. 880, s. 1.1; 1973, c. 991.)

**Editor's Note.** — Session Laws 1971, c. 880, s. 4, provides: "This act shall become effective on and after October 1, 1971, and shall not affect pending litigation."

The 1973 amendment, effective Jan. 1, 1975, rewrote this section.

## ARTICLE 3.

*Model Payment and Performance Bond.*

**§ 44A-25. Definitions.** — Unless the context otherwise requires in this Article:

- (1) "Claimant" includes any individual, firm, partnership, association or corporation entitled to maintain an action on a bond described in this Article and shall include the "contracting body" in a suit to enforce the performance bond.
- (2) "Construction contract" means any contract for the construction, reconstruction, alteration or repair of any public building or other public work or public improvement, including highways.
- (3) "Contracting body" means any department, agency, or political subdivision of the State of North Carolina which has authority to enter into construction contracts.
- (4) "Contractor" means any person who has entered into a construction contract with a contracting body.
- (5) "Labor or materials" shall include all materials furnished or labor performed in the prosecution of the work called for by the construction contract regardless of whether or not the labor or materials enter into or become a component part of the public improvement, and further shall include gas, power, light, heat, oil, gasoline, telephone services and rental of equipment or the reasonable value of the use of equipment



directly utilized in the performance of the work called for in the construction contract.

- (6) "Subcontractor" means any person who has contracted to furnish labor or materials to, or who has performed labor for, a contractor or another subcontractor in connection with a construction contract. (1973, c. 1194, s. 1.)

**Editor's Note.** — Session Laws 1973, c. 1194, ss. 3 and 7, provide:

"Sec. 3. The addition of this Article shall not be construed as making the provisions of Articles 1 and 2 of Chapter 44A of the General Statutes apply to public bodies or public buildings.

"Sec. 7. This act shall become effective on and after September 1, 1974, and shall apply to all construction and repair contracts awarded on or after that date, but this act shall not apply to any contract awarded prior to the effective date nor any contract bond securing its performance or the payment of labor and material thereof."

**§ 44A-26. Bonds required.** — (a) A contracting body shall require of any contractor who is awarded a construction contract which exceeds the amount of ten thousand dollars (\$10,000) the following bonds:

- (1) A performance bond in the amount of one hundred percent (100%) of the construction contract amount, conditioned upon the faithful performance of the contract in accordance with the plans, specifications and conditions of the contract. Such bond shall be solely for the protection of the contracting body which awarded the contract.
- (2) A payment bond in the amount of one hundred percent (100%) of the construction contract amount, conditioned upon the prompt payment for all labor or materials for which a contractor or subcontractor is liable. The payment bond shall be solely for the protection of the persons furnishing materials or performing labor for which a contractor or subcontractor is liable.

(b) The performance bond and the payment bond shall be executed by one or more surety companies legally authorized to do business in the State of North Carolina and shall become effective upon the awarding of the construction contract. (1973, c. 1194, s. 1.)

**§ 44A-27. Actions on payment bonds; service of notice.** — (a) Subject to the provision of subsection (b) hereof, any claimant who has performed labor or furnished materials in the prosecution of the work required by any contract for which a payment bond has been given pursuant to the provisions of this Article, and who has not been paid in full therefor before the expiration of 90 days after the day on which the claimant performed the last such labor or furnished the last such materials for which he claims payment, may bring an action on such payment bond in his own name, to recover any amount due him for such labor or materials and may prosecute such action to final judgment and have execution on the judgment.

(b) Any claimant who has a direct contractual relationship with any subcontractor but has no contractual relationship, express or implied, with the contractor may bring an action on the payment bond only if he has given written notice to the contractor within 90 days from the date on which the claimant performed the last of the labor or furnished the last of the materials for which he claims payment, stating with substantial accuracy the amount claimed and the name of the person for whom the work was performed or to whom the material was furnished.

(c) The notice required by subsection (b), above, shall be served by registered or certified mail, postage prepaid, in an envelope addressed to such contractor at any place where his office is regularly maintained for the transaction of business or served in any manner provided by law for the service of summons. (1973, c. 1194, s. 1.)



**§ 44A-28. Actions on payment bonds; venue and limitations.** — (a) Every action on a payment bond as provided in G.S. 44A-27 shall be brought in a court of appropriate jurisdiction in a county where the construction contract or any part thereof is to be or has been performed.

(b) No action on a payment bond shall be commenced after the expiration of the longer period of one year from the day on which the last of the labor was performed or material was furnished by the claimant, or one year from the day on which final settlement was made with the contractor. (1973, c. 1194, s. 1.)

**§ 44A-29. Limitation of liability of a surety.** — No surety shall be liable under a payment bond for a total amount greater than the face amount of the payment bond. A judgment against any surety may be reduced or set aside upon motion by the surety and a showing that the total amount of claims paid and judgments previously rendered under such payment bond, together with the amount of the judgment to be reduced or set aside, exceeds the face amount of the bond. (1973, c. 1194, s. 1.)

**§ 44A-30. Variance of liability; contents of bond.** — (a) No act of or agreement between a contracting body, a contractor or a surety shall reduce the period of time for giving notice under G.S. 44A-27(b) or commencing action under G.S. 44A-28(b) or otherwise reduce or limit the liability of the contractor or surety as prescribed in this Article.

(b) Every bond given by a contractor to a contracting body pursuant to this Article shall be conclusively presumed to have been given in accordance herewith, whether or not such bond be so drawn as to conform to this Article. This Article shall be conclusively presumed to have been written into every bond given pursuant thereto. (1973, c. 1194, s. 1.)

**§ 44A-31. Certified copy of bond and contract.** — (a) Any person entitled to bring an action or any defendant in an action on a payment bond shall have a right to require the contracting body to certify and furnish a copy of the payment bond and of the construction contract covered by the bond. It shall be the duty of such contracting body to give any such person a certified copy of the payment bond and construction contract upon not less than 10 days notice and request. The contracting body may require a reasonable payment for the actual cost of furnishing the certified copy.

(b) A copy of any payment bond and of the construction contract covered by the bond certified by the contracting body shall constitute prima facie evidence of the contents, execution and delivery of such bond and construction contract. (1973, c. 1194, s. 1.)

**§ 44A-32. Designation of official; violation a misdemeanor.** — Each contracting body shall designate an official thereof to require the bonds described by this Article. If the official so designated shall fail to require said bond, he shall be guilty of a misdemeanor. (1973, c. 1194, s. 1.)

**§ 44A-33. Form.** — (a) A performance bond form containing the following provisions shall comply with this Article: the date the bond is executed; the name of the principal; the name of the surety; the name of the contracting body; the amount of the bond; the contract number; and the following conditions:

“KNOW ALL MEN BY THESE PRESENTS, That we, the PRINCIPAL AND SURETY above named, are held and firmly bound unto the above named Contracting Body, hereinafter called the Contracting Body, in the penal sum of the amount stated above for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.



"THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal entered into a certain contract with the Contracting Body, numbered as shown above and hereto attached:

"NOW THEREFORE, if the Principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the Contracting Body, with or without notice to the Surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the Surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

"IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals on the date indicated above, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body."

Appropriate places for execution by the surety and principal shall be provided.

(b) A payment bond form containing the following provisions shall comply with this Article: the date the bond is executed; the name of the principal; the name of the surety; the name of the contracting body; the contract number; and the following conditions:

"KNOW ALL MEN BY THESE PRESENTS, That we, the PRINCIPAL and SURETY above named, are held and firmly bound unto the above named Contracting Body, hereinafter called the Contracting Body, in the penal sum of the amount stated above, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

"THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal entered into a certain contract with the Contracting Body, numbered as shown above and hereto attached;

"NOW THEREFORE, if the Principal shall promptly make payment to all persons supplying labor and material in the prosecution of the work provided for in said contract, and any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the Surety being hereby waived, then this obligation to be void; otherwise to remain in full force and virtue.

"IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals on the date indicated above, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body."

Appropriate places for execution by the surety and principal shall be provided. (1973, c. 1194, s. 1.)



## Chapter 45.

### Mortgages and Deeds of Trust.

#### Article 1.

##### Chattel Securities.

Sec.

45-1 to 45-3.1. [Repealed.]

#### Article 2.

##### Right to Foreclose or Sell under Power.

- 45-7. Agent to sell under power may be appointed by parol.
- 45-8. Survivorship among donees of power of sale.
- 45-10. Substitution of trustees in mortgages and deeds of trust.
- 45-11. Appointment of substitute trustee upon application of subsequent or prior lienholders; effect of substitution.
- 45-12. [Repealed.]
- 45-13. Right of appeal by any person interested; judge to review finding of clerk de novo.
- 45-18. Validation of certain acts of substituted trustees.

#### Article 2A.

##### Sales under Power of Sale.

###### Part 1. General Provisions.

- 45-21.1. Definition.
- 45-21.4. Place of sale of real property.
- 45-21.5, 45-21.6. [Repealed.]
- 45-21.9. Amount to be sold when property sold in parts; sales of remainder if necessary.
- 45-21.11. Application of statute of limitations to serial notes.
- 45-21.12. Power of sale barred when foreclosure barred.
- 45-21.13. [Repealed.]

###### Part 2. Procedure for Sale.

- 45-21.16. Notice and hearing.
- 45-21.16A. Contents of notice of sale.
- 45-21.17. Posting and publishing notice of sale of real property.
- 45-21.18, 45-21.19. [Repealed.]
- 45-21.20. Satisfaction of debt after publishing or posting notice, but before completion of sale.
- 45-21.21. Postponement of sale.
- 45-21.25. [Repealed.]
- 45-21.27. Upset bid on real property; compliance bonds.
- 45-21.29. Resale of real property; jurisdiction; procedure; orders for possession.
- 45-21.29A. Necessity for confirmation of sale.
- 45-21.30. Failure of bidder to make cash deposit or to comply with bid; resale.

Sec.

- 45-21.31. Disposition of proceeds of sale; payment of surplus to clerk.
- 45-21.33. Final report of sale of real property.

#### Article 2B.

##### Injunctions; Deficiency Judgments.

- 45-21.34. Enjoining mortgage sales or confirmations thereof on equitable grounds.
- 45-21.35. Ordering resales before confirmation; receivers for property; tax payments.
- 45-21.36. Right of mortgagor to prove in deficiency suits reasonable value of property by way of defense.
- 45-21.38. Deficiency judgments abolished where mortgage represents part of purchase price.

#### Article 2C.

##### Validating Sections; Limitation of Time for Attacking Certain Foreclosures.

- 45-21.42. Validation of deeds where no order or record of confirmation can be found.
- 45-21.44. Validation of foreclosure sales when provisions of § 45-21.17(c)(2) not complied with.
- 45-21.45. Validation of foreclosure sales where notice and hearing not provided.

#### Article 4.

##### Discharge and Release.

- 45-37. Discharge of record of mortgages, deeds of trust and other instruments.
- 45-37.2. Recording satisfactions of deeds of trust and mortgages in counties using microfilm.
- 45-38. Entry or recording of foreclosure.

#### Article 5.

##### Miscellaneous Provisions.

- 45-43.1 to 45-43.5. [Repealed.]

#### Article 6.

##### Uniform Trust Receipts Act.

- 45-46 to 45-66. [Repealed.]

#### Article 7.

##### Instruments to Secure Future Advances and Future Obligations.

- 45-67. Definition.
- 45-68. Requirements.
- 45-69. Fluctuation of obligations within maximum amount.



Sec.	Sec.
45-70. Priority of security instrument.	notes described in security instrument sufficient.
45-71. Satisfaction of the security instrument.	
45-72. Termination of future optional advances.	45-74. Article not exclusive.
45-73. Cancellation of record; presentation of	

## ARTICLE 1.

*Chattel Securities.*

§§ 45-1 to 45-3.1: Repealed by Sessions Laws 1967, c. 562, s. 2, effective at midnight June 30, 1967.

**Cross Reference.** — See Editor's note to § 25-1-201.

## ARTICLE 2.

*Right to Foreclose or Sell under Power.*

§ 45-4. **Representative succeeds on death of mortgagee or trustee in deeds of trust; parties to action.**

**Cited in** *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).

§ 45-7. **Agent to sell under power may be appointed by parol.** — All sales of real property, under a power of sale contained in any mortgage or deed of trust to secure the payment of money, by any mortgagee or trustee, through an agent or attorney for that purpose, appointed orally or in writing by such mortgagee or trustee, whether such writing has been or shall be registered or not, shall be valid, whether or not such mortgagee or trustee was or shall be present at such sale. (1895, c. 117; Rev., s. 1035; C. S., s. 2581; 1967, c. 562, s. 2.)

**Editor's Note.** — The 1967 amendment, effective at midnight June 30, 1967, substituted "real property" for "property, real or personal" near the beginning of the section. See Editor's note to § 25-1-201.

§ 45-8. **Survivorship among donees of power of sale.** — In all mortgages and deeds of trust of real property wherein two or more persons, as trustees or otherwise, are given power to sell the property therein conveyed or embraced, and one or more of such persons dies, any one of the persons surviving having such power may make sale of such property in the manner directed in such deed, and execute such assurances of title as are proper and lawful under the power so given; and the act of such person, in pursuance of said power, shall be as valid and binding as if the same had been done by all the persons on whom the power was conferred. (1885, c. 327, s. 2; Rev., s. 1033; C. S., s. 2582; 1967, c. 562, s. 2.)

**Editor's Note.** — The 1967 amendment, effective at midnight June 30, 1967, inserted "of real property" near the beginning of the section. See Editor's note to § 25-1-201.



**§ 45-10. Substitution of trustees in mortgages and deeds of trust.** — (a) In addition to the rights and remedies now provided by law, the holders or owners of a majority in amount of the indebtedness, notes, bonds, or other instruments evidencing a promise or promises to pay money and secured by mortgages, deeds of trust, or other instruments conveying real property, or creating a lien thereon, may substitute a trustee whether the trustee then named in the instrument is the original or a substituted trustee, by the execution of a paper-writing whenever it appears:

- (1) In the case of individual trustees: That the trustee then named in such mortgage, deed of trust, or other instrument securing the payment of money, has died, or has removed from the State, or is not a resident of this State or cannot be found in this State, or has disappeared from the community of his residence so that his whereabouts remains unknown in such community for a period of three months or more; or that he has become incompetent to act mentally or physically, or has been committed to any institution, private or public, on account of inebriacy or conviction of a criminal offense; or that he has refused to accept such appointment as trustee or refuses to act or has been declared a bankrupt; or that a petition in involuntary bankruptcy has been filed against him, or that a suit has been instituted in any court of this State asking relief against him on account of insolvency; or that a cause of action has been asserted against him on account of fraud against his creditors.
- (2) In the case of corporate trustees: That the trustee is a foreign corporation or has ceased to do business, or has ceased to exercise trust powers, or has excluded from its regular business the performance of such trust; or that the corporation has been declared bankrupt, or has been placed in the hands of a receiver; or that insolvency proceedings have been instituted in any court of this State or in any court of the United States against it, or that any action has been instituted in either of said courts against it in which relief is asked on the ground of insolvency or fraud against its creditors; or that any officer or commission of this State, or any employee of such commission or officer, has taken charge of its affairs for the purpose of liquidation pursuant to any statute.

The powers recited in this section shall be cumulative and optional.

(b) Where a term or a condition of a mortgage, deed of trust or other instrument conveying real property, or creating a lien thereon, states that the trustee may be substituted for a reason other than one specified in G.S. 45-10(a)(1) and (2) then that substitution may be accomplished, in accordance with that term or condition, by the execution of a paper-writing. (1931, c. 78, ss. 1, 2; 1935, c. 227; 1943, c. 543; 1967, c. 562, s. 2; 1975, c. 66.)

**Editor's Note. —**

The 1967 amendment, effective at midnight June 30, 1967, deleted "or personal" between "real" and "property" near the middle of the opening paragraph. See Editor's note to § 25-1-201.

The 1975 amendment, effective July 1, 1975, designated the former language of this section as subsection (a) and added subsection (b).

Attention is directed to the fact that the words "this section" in the last sentence of present subsection (a) originally referred to the provisions now incorporated in that subsection.

**Cited in** *In re Sale of Land of Warrick*, 1 N.C. App. 387, 161 S.E.2d 630 (1968).



**§ 45-11. Appointment of substitute trustee upon application of subsequent or prior lienholders; effect of substitution.** — When any person, firm, corporation, county, city or town holding a lien on real property upon which there is a subsequent or prior lien created by a mortgage, deed of trust or other instrument, the mortgagee or trustee therein named being dead or having otherwise become incompetent to act, files a written application with the clerk of the superior court of the county in which said property is located, setting forth the facts showing that said mortgagee or trustee is then dead or has become incompetent to act, the said clerk of the superior court, upon a proper finding of fact that said mortgagee or trustee is dead or has become incompetent to act, shall enter an order appointing some suitable and competent person, firm or corporation as substitute trustee upon whom service of process may be made, and said substitute trustee shall thereupon be vested with full power and authority to defend any action instituted to foreclose said property as fully as if he had been the original mortgagee or trustee named; but the substitute trustee shall have no power to cancel said mortgage or deed of trust without the joinder of the holder of the notes secured thereby. Said application shall not be made prior to the expiration of thirty days from the date the original mortgagee or trustee becomes incompetent to act. (1941, c. 115, s. 1; 1967, c. 562, s. 2.)

**Editor's Note.** —

The 1967 amendment, effective at midnight June 30, 1967, deleted "or personal" between

"real" and "property" near the beginning of the section. See Editor's note to § 25-1-201.

**§ 45-12: Repealed by Session Laws 1973, c. 1208.**

**Editor's Note.** —

The repealed section was amended by Session Laws 1973, c. 1128, s. 1. The amendment validated appointments of substitute trustees made before Jan. 1, 1974, without the certificate required by this section. Session Laws 1973, c. 1208, repealed this section "as it

appears in the 1973 Cumulative Supplement." The section as it appeared in the 1973 Supplement did not, of course, contain the provision added by Session Laws 1973, c. 1128, s. 1.

The repealing act provides that it shall not apply to pending litigation.

**§ 45-13. Right of appeal by any person interested; judge to review finding of clerk de novo.** — Whenever the power contained in G.S. 45-10 or in G.S. 45-11 is exercised in respect to any deed of trust, mortgage or other instrument creating the lien which was executed prior to March 4, 1931, then, at any time within 12 months from the registration of the instrument designating the new trustee but within 30 days from actual knowledge of the same, any person interested therein may appeal from the findings of the clerk of the superior court pursuant to G.S. 45-12, and such appeal shall be duly constituted when a written notice signed by, or on behalf of such person, shall have been served in any of the methods of service of summons provided by law on all other parties interested therein, including the said substituted trustee. The notice shall state that a motion will be made before the judge of the superior court of the county of the clerk who made such certificate at the next regular session of such superior court beginning more than 10 days after the service of said notice on all interested parties, and the docketing of such notices on the civil issue docket of said county. On the hearing of said motion it shall be open to all parties to contest and defend the findings of said clerk, and the judge shall review said findings de novo and make such findings in respect thereof as shall appear to him from the evidence to be true, and if the said substituted trustee shall be removed at said hearing another trustee shall be substituted in his stead by the court upon a finding that he or it is a proper person or corporation to perform the functions of said trusteeship, but only one such appeal shall be allowed as to each appointment. (1931, c. 78, s. 4; 1941, c. 115, s. 2; 1971, c. 1185, s. 7.)



**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, substituted "session" for "term" in the second sentence.

**§ 45-18. Validation of certain acts of substituted trustees.** — Whenever before January 1, 1973, a trustee has been substituted in a deed of trust in the manner provided by G.S. 45-10 to 45-17, but the instrument executed by the holder and/or owners of all or a majority in amount of the indebtedness, notes, bonds, or other instruments secured by said deed of trust, and the certificate of the clerk of the superior court executed in connection therewith under the provisions of G.S. 45-12, have not been registered as provided by said sections until after the substitute trustee has exercised some or all of the powers conferred by said deed of trust upon the trustee therein, including the advertising of the property conveyed by said deed of trust for sale, the sale thereof, and the execution of a deed by such substituted trustee to the purchaser at such sale, all such acts of said substituted trustee shall be deemed valid and effective in the same manner and to the same extent as if said instrument substituting said trustee, and the clerk's certificate thereon had been registered prior to the performance by said substituted trustee of any one or more of said acts, or other acts authorized by such deed of trust. (1939, c. 13; 1963, c. 241; 1967, c. 945; 1969, c. 477; 1971, c. 57; 1973, c. 20.)

**Editor's Note.** —

The 1967 amendment substituted "April 1, 1967" for "February 1, 1963" near the beginning of the section. The amendatory act is effective June 27, 1967, but provides that it shall not affect pending litigation.

The 1969 amendment substituted "1969" for "1967" near the beginning of the section. The amendatory act is effective May 12, 1969, but provides that it shall not affect pending litigation.

The 1971 amendment substituted "January 1, 1971" for "April 1, 1969" near the beginning of this section. The amendatory act provides that it shall not apply to pending litigation.

The 1973 amendment substituted "1973" for "1971" near the beginning of the section. The amendatory act provides that it shall not apply to pending litigation.

## ARTICLE 2A.

### *Sales under Power of Sale.*

#### Part 1. General Provisions.

**§ 45-21.1. Definition.** — As used in this article, "sale" means only a sale of real property pursuant to an express power of sale contained in a mortgage or deed of trust. (1949, c. 720, s. 1; 1967, c. 562, s. 2.)

**Cross References.** — As to judicial sales, see §§ 1-339.1 to 1-339.40. As to execution sales, see §§ 1-339.41 to 1-339.71.

**Editor's Note.** —

The 1967 amendment, effective at midnight

June 30, 1967, rewrote this section, eliminating all references to sales of personal property. See Editor's note to § 25-1-201.

#### **§ 45-21.3. Days on which sale may be held.**

**Cited in** *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).



**§ 45-21.4. Place of sale of real property.**

(d) When a mortgage or deed of trust with power of sale of real property confers upon the mortgagee or trustee the right to designate the place of sale, the sale shall be held at the place designated by the notice of sale, which place shall be either on the premises to be sold or as follows:

- (1) Property situated wholly within a single county shall be sold at the courthouse door of the county in which the land is situated.
- (2) A single tract of property situated in two or more counties may be sold at the courthouse door of any one of the counties in which some part of the real property is situated.

(1975, c. 57, s. 1.)

**Editor's Note.** — The 1975 amendment deleted "within the county" preceding "designated" and "mortgagee or trustee in" preceding "the notice of sale" in the introductory paragraph of subsection (d), added "which place shall be either on the premises to be sold or as follows" at the end of that paragraph and added subdivisions (1) and (2) to subsection (d).

Session Laws 1975, c. 57, s. 2, provides: "This act shall become effective on and after October 1, 1975 and shall apply to foreclosure sales where the advertising is commenced after October 1, 1975."

As the rest of the section was not changed by the amendment, only subsection (d) is set out.

Cited in *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).

**§§ 45-21.5, 45-21.6:** Repealed by Session Laws 1967, c. 562, s. 2, effective at midnight June 30, 1967.

**Cross Reference.** — See Editor's note to § 25-1-201.

**§ 45-21.9. Amount to be sold when property sold in parts; sale of remainder if necessary.**

(b) If the proceeds of a sale of only a part of the property are insufficient to satisfy the obligation secured by the instrument pursuant to which the sale is made and the costs and expenses of the sale, the person authorized to exercise the power of sale may readvertise the unsold property and may sell as many additional units or parcels thereof as in his judgment seems necessary to satisfy the remainder of the secured obligation and the costs and expenses of the sale. As to any such sale, it shall not be necessary to comply with the provisions of G.S. 45-21.16 but the requirements of G.S. 45-21.17 relating to notices of sale shall be complied with.

(1975, c. 492, s. 15.)

**Editor's Note.** — The 1975 amendment rewrote the second sentence of subsection (b).

Session Laws 1975, c. 492, s. 13, provides: "The provisions of this act, except for Section 12 [§ 45-21.45], shall not apply to foreclosures which were commenced prior to the ratification hereof, but shall apply only to those as to which

no notice of sale had been posted prior to such ratification." The act was ratified June 6, 1975.

Session Laws 1975, c. 492, s. 16, provides that the act shall not affect pending litigation.

As the rest of the section was not changed by the amendment, only subsection (b) is set out.

**§ 45-21.11. Application of statute of limitations to serial notes.** — When a series of notes maturing at different times is secured by a mortgage or deed of trust and the exercise of the power of sale for the satisfaction of one or more of the notes is barred by the statute of limitations, that fact does not bar the exercise of the power of sale for the satisfaction of indebtedness represented by other notes of the series not so barred. (1949, c. 720, s. 1; 1967, c. 562, s. 2.)



**Editor's Note.** — The 1967 amendment, effective at midnight June 30, 1967, substituted "mortgage or deed of trust" for "mortgage,

deed of trust or conditional sale contract" near the beginning of the section. See Editor's note to § 25-1-201.

**§ 45-21.12. Power of sale barred when foreclosure barred.** — (a) Except as provided in subsection (b), no person shall exercise any power of sale contained in any mortgage or deed of trust, or provided by statute, when an action to foreclose the mortgage or deed of trust, is barred by the statute of limitations.

(b) If a sale pursuant to a power of sale contained in a mortgage or deed of trust, or provided by statute, is commenced within the time allowed by the statute of limitations to foreclose such mortgage or deed of trust, the sale may be completed although such completion is effected after the time when commencement of an action to foreclose would be barred by the statute. For the purpose of this section, a sale is commenced when the notice of the sale is first posted or published as provided by this article or by the terms of the instrument pursuant to which the power of sale is being exercised. (1949, c. 720, s. 1; 1967, c. 562, s. 2; 1969, c. 984, s. 1.)

**Editor's Note.** —

The 1967 amendment, effective at midnight June 30, 1967, deleted references to conditional sales contract in subsection (a) and near the beginning of subsection (b). See Editor's note to § 25-1-201.

The 1969 amendment, effective Oct. 1, 1969, deleted references to conditional sales contracts

in subsection (a) and the first sentence of subsection (b).

For comment on application of statute of limitations to promise of grantee assuming mortgage or deed of trust, see 43 N.C.L. Rev. 966 (1965).

**§ 45-21.13:** Repealed by Session Laws 1967, c. 562, s. 2, effective at midnight June 30, 1967.

**Cross Reference.** —

See Editor's note to § 25-1-201.

**§ 45-21.14. Clerk's authority to compel report or accounting; contempt proceeding.**

**Cited in** *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).

## Part 2. Procedure for Sale.

**§ 45-21.16. Notice and hearing.** — (a) The mortgagee or trustee granted a power of sale under a mortgage or deed of trust who seeks to exercise such power of sale shall serve upon each party entitled to notice under this section a notice of hearing. The notice shall specify a time and place for a hearing before the clerk of court and shall be served not less than 10 days prior to the date of such hearing. The notice shall be served in any manner provided by the Rules of Civil Procedure for the service of summons, or may be served by actual delivery by registered or certified mail, return receipt requested; provided, that in those instances in which service by publication would be authorized, service may be made by posting a notice in a conspicuous place and manner upon the property for a period of not less than 10 days before the date of the hearing.

(b) Notice of hearing shall be sent to:

- (1) Any person to whom the security interest instrument itself directs notice to be sent in case of default.



- (2) To any person obligated to repay the indebtedness against whom the holder thereof intends to assert liability therefor, and any such person not notified shall not be liable for any deficiency remaining after the sale.
  - (3) To the record owner or owners (including owners in tenancy by the entirety) of the real estate at the time of the giving of the notice.
- (c) Notice shall be in writing and shall state in a manner reasonably calculated to make the party entitled to notice aware of the following:
- (1) The particular real estate security interest being foreclosed, with such a description as is necessary to identify the real property, including the date, original amount, and book and page of the security instrument.
  - (2) The name and address of the holder of the security instrument, and if different from the original holder, his name and address.
  - (3) The nature of the default claimed.
  - (4) The fact, if such be the case, that the secured creditor has accelerated the maturity of the debt.
  - (5) Any right of the debtor to pay the indebtedness or cure the default if such is permitted, the date by which such payment may be made or cure effected, the amount to pay or steps necessary to cure by such date, and to whom payment should be made or notice of cure given.
  - (6) The date, time and place when and where the real estate will be sold, unless the obligation is earlier satisfied.
  - (7) The right of the debtor (or other party served) to appear before the clerk of court at a time and on a date specified, at which appearance he shall be afforded the opportunity to show cause as to why the foreclosure should not be allowed to be held. The notice shall contain a statement that if the debtor does not intend to contest the creditor's allegations of default, the debtor does not have to appear at the hearing and that his failure to attend the hearing will not affect his right to pay the indebtedness and thereby prevent the proposed sale, or to attend the actual sale, should he elect to do so.
  - (8) That if the foreclosure sale is consummated, the purchaser will be entitled to possession of the real estate as of the date of delivery of his deed, and that the debtor, if still in possession, can then be evicted.
  - (9) That the debtor should keep the trustee or mortgagee notified in writing of his address so that he can be mailed copies of the notice of foreclosure setting forth the terms under which the sale will be held, and notice of any postponements or resales.
- (d) The hearing provided by this section shall be held before the clerk of court in the county where the land, or any portion thereof, is situated. Upon such hearing, the clerk shall consider the evidence of the parties and may consider, in addition to other forms of evidence required or permitted by law, affidavits and certified copies of documents. If the clerk finds the existence of (i) valid debt of which the party seeking to foreclose is the holder, (ii) default, (iii) right to foreclose under the instrument, and (iv) notice to those entitled to such under subsection (b), then the clerk shall further find that the mortgagee or trustee can proceed under the instrument, and the mortgagee or trustee can give notice of and conduct a sale pursuant to the provisions of this Article. The act of the clerk in so finding or refusing to so find is a judicial act and may be appealed to the judge of the district or superior court having jurisdiction at any time within 10 days after said act. If an appeal is taken from the clerk's findings, the clerk shall stay the foreclosure pending appeal, providing [provided] that the clerk shall as a condition of staying the foreclosure require that the appealing party post a bond with sufficient surety to protect the prevailing party from any probable loss by reason of delay in the foreclosure.



(e) In the event of an appeal, either party may demand that the matter be heard at the next succeeding term of the court to which the appeal is taken which convenes 10 or more days after the hearing before the clerk, and such hearing shall take precedence over the trial of other cases except cases of exceptions to homesteads and appeals in summary ejectment actions, provided the presiding judge may in his discretion postpone such hearing if the rights of the parties or the public in any other pending case require that such case be heard first. In those counties where no term of court is scheduled within 30 days from the date of hearing before the clerk, either party may petition the resident superior court judge or chief district court judge, who shall be authorized to hear the appeal.

(f) Waiver of the right to notice and hearing provided herein shall not be permitted except as set forth herein. At any time subsequent to service of the notice of hearing provided above, the clerk, upon the request of the mortgagee or trustee, shall mail to all other parties entitled to notice of such hearing a form by which such parties may waive their rights to the hearing. Upon the return of the forms to the clerk bearing the signatures of each such party and that of a witness to each such party's signature (which witness shall not be an agent or employee of the mortgagee or trustee), the clerk in his discretion may dispense with the necessity of a hearing and proceed to issue the order authorizing sale as set forth above. (1975, c. 492, s. 2.)

**Editor's Note.** — The above section was enacted by Session Laws 1975, c. 492, s. 2. The section originally codified as § 45-21.16 was redesignated § 45-21.16A by the same 1975 act.

Session Laws 1975, c. 492, s. 13, provides: "The provisions of this act, except for Section 12 [§ 45-21.45], shall not apply to foreclosures which were commenced prior to the ratification hereof, but shall apply only to those as to which no notice of sale had been posted prior to such ratification." The act was ratified June 6, 1975.

Session Laws 1975, c. 492, s. 14, provides: "The words clerk of court as used in this act shall be deemed to include assistant clerk of court."

Session Laws 1975, c. 492, s. 16, provides that the act shall not affect pending litigation.

The Rules of Civil Procedure are found in § 1A-1.

**§ 45-21.16A. Contents of notice of sale.** — The notice of sale shall —

- (1) Describe the instrument pursuant to which the sale is held, by identifying the original mortgagors and recording data, and if different from the original mortgagors shall list the record owner of the property, as reflected on the records of the register of deeds not more than 10 days prior to posting the notice, who may be identified as present owners, and may reflect the owner not reflected on the records if known.
- (2) Designate the date, hour and place of sale consistent with the provisions of the instrument and this Article;
- (3) Describe the real property (including improvements thereon) to be sold in such a manner as is reasonably calculated to inform the public as to what is being sold, which description may be in general terms and incorporate the description as used in the instrument containing the power of sale by reference thereto. Any property described in the instrument containing the power of sale which is not being offered for sale should also be described in such a manner as to enable prospective purchasers to determine what is and what is not being offered for sale.
- (4) Repealed by Session Laws 1967, c. 562, s. 2, effective at midnight June 30, 1967.
- (5) State the terms of the sale provided for by the instrument pursuant to which the sale is held, including the amount of the cash deposit, if any, to be made by the highest bidder at the sale;



- (6) Include any other provisions required by the instrument to be included therein; and
- (7) State that the property will be sold subject to taxes and special assessments if it is to be so sold. (1949, c. 720, s. 1; 1951, c. 252, s. 1; 1967, c. 562, s. 2; 1975, c. 492, s. 1.)

**Editor's Note. —**

This section was formerly § 45-21.16. It was redesignated § 45-21.16A by Session Laws 1975, c. 492, s. 1, which also rewrote subdivisions (1) and (3) of the section.

The 1967 amendment, effective at midnight June 30, 1967, repealed subdivision (4). See Editor's note to § 25-1-201.

Session Laws 1975, c. 492, s. 13, provides: "The provisions of this act, except for Section 12 [§ 45-21.45], shall not apply to foreclosures which were commenced prior to the ratification hereof, but shall apply only to those as to which no notice of sale had been posted prior to such ratification." The act was ratified June 6, 1975.

Session Laws 1975, c. 492, s. 16, provides that the act shall not affect pending litigation.

**Foreclosure Statutes Not Per Se Unconstitutional.** — The statutes providing procedure for real property mortgage foreclosure, sale, and eviction are not per se unconstitutional. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**But Held Unconstitutional as Applied.** — See *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**These sections are a scheme designed at least in part to lower the cost and increase the efficiency of real estate foreclosures.** *Turner v.*

*Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendment.

**When Foreclosure and Sale under Statutory Scheme Not Unlawful.** — Foreclosure and sale pursuant to the statutory scheme is prospectively unlawful and void unless (a) the power of sale is determined by the clerk to be a knowing, voluntary, and intelligent waiver of the Fourteenth Amendment due process rights, or (b) the clerk determines there has been adequate and timely notice to the mortgagor coupled with opportunity for a hearing before any rights are lost. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendment.

**State Action Involved.** — The direct participation by the clerk in the procedure by which plaintiff was deprived of ownership, and threatened to be deprived of possession, of her property constitutes State action. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**Applied in** *Financial Servs. Corp. v. Welborn*, 269 N.C. 563, 153 S.E.2d 7 (1967).

**Cited in** *Britt v. Britt*, 26 N.C. App. 132, 215 S.E.2d 172 (1975).

**§ 45-21.17. Posting and publishing notice of sale of real property.** — In addition to complying with such provisions with respect to posting or publishing notice of sale as are contained in the security instrument,

- (1) Notice of sale of real property shall
  - a. Be posted, at the courthouse door in the county in which the property is situated, for 20 days immediately preceding the sale.
  - b. And in addition thereto,
    1. If a newspaper qualified for legal advertising is published in the county, the notice shall be published in such a newspaper once a week for at least two successive weeks; but
    2. If no such newspaper is published in the county, then notice shall be published once a week for at least two successive weeks in a newspaper having a general circulation in the county.
    3. In addition to the newspaper advertisement under 1 or 2 above, the clerk may in his discretion, on application of any interested party, authorize such additional advertisement as in the opinion of the clerk will serve the interest of the parties, and permit the charges for such further advertisement to be taxed as a part of the costs of the foreclosure.
- (2) When the notice of sale is published in a newspaper,



- a. The period from the date of the first publication to the date of the last publication, both dates inclusive, shall not be less than seven days, including Sundays, and
  - b. The date of the last publication shall be not more than 10 days preceding the date of the sale.
- (3) When the real property to be sold is situated in more than one county, the provisions of subdivisions (1) and (2) shall be complied with in each county in which any part of the property is situated.
- (4) The notice of sale shall be mailed at least 20 days prior to the date of sale to each party entitled to notice of the hearing provided by G.S. 45-21.16 whose address is known to the trustee or mortgagee and in addition shall also be mailed to any party desiring a copy of the notice of sale who has complied with subdivision (5) below. Notice of the hearing required by G.S. 45-21.16 shall be sufficient to satisfy the requirement of notice under this section provided such notice contains the information required by G.S. 45-21.16A.
- (5) a. Requests for Copies of Notice. — Any person desiring a copy of any notice of default and sale under any security instrument with power of sale upon real property may, at any time subsequent to the recordation of the security instrument and prior to the giving of notice of hearing provided for in G.S. 45-21.16, cause to be filed for record in the office of the register of deeds of the county where all or any part of the real property is situated, a duly acknowledged request for a copy of such notice of sale. This request shall be signed and acknowledged by the party making the request, shall specify the name and address of the party to whom the notice is to be mailed, shall identify the deed of trust or mortgage by stating the names of the parties thereto, the date of recordation, and the book and page where the same is recorded, and shall be in substantially the following form:
- “In accordance with the provisions of G.S. 45-21.17(5) request is hereby made that a copy of any notice of sale under the deed of trust (mortgage) recorded on . . . . ., 19. . . ., in Book . . . . ., page . . . . ., records of . . . . . County, North Carolina, executed by . . . . . as trustor (mortgagor), in which . . . . . is named as beneficiary (mortgagee), and . . . . . as trustee, be mailed to . . . . . at the following address: . . . . .
- Signature: . . . . .
- b. Register of Deeds’ Duties. — Upon the filing for record of such request, the register of deeds shall index in the general index of grantors the names of the trustors (mortgagors) recited therein, and the names of the persons requesting copies, with a marginal entry in the index of the book and page of the recorded security instrument to which the request refers; or upon the filing for record of such request, the register of deeds may instead of indexing such request on the general index of grantors stamp upon the face of the security instrument referred to in the request the book and page of each request for notice thereunder.
- c. Mailing Notice. — The mortgagee, trustee, or other person authorized to conduct the sale shall at least 20 days prior to the date of the sale cause to be deposited in the United States mail an envelope with postage prepaid containing a copy of the notice of sale, addressed to each person whose name and address are set forth in a duly recorded request therefor as specified in a above, directed to the address designated in such request.



- d. Effect of Request on Title. — No request for a copy of any notice filed pursuant to this section nor any statement or allegation in any such request nor any record thereof shall affect the title to real property, or be deemed notice to any person that the person requesting copies of notice has any claim or any right, title or interest in, or lien or charge upon, the property described in the deed of trust or mortgage referred to therein.
- e. Evidence of Compliance and Actions for Failure to Comply. — The affidavit of the mortgagee, trustee, or other person authorized to conduct the sale that copies of the notice of sale have been mailed to all parties filing request for the same hereunder shall be deemed prima facie true. As to parties entitled to notice of foreclosure sale by virtue of G.S. 45-21.17(5) a, no such party shall be permitted to attack a foreclosure on grounds that he was not mailed the notice herein provided for unless such action be brought prior to confirmation of the sale if the property is purchased by someone other than the secured party, and if bought by the secured party, unless the action is brought within six months of the date of confirmation of the sale and prior to the time the secured party sells the property to a bona fide purchaser for value. As to parties entitled to notice of foreclosure sale by virtue of G.S. 45-21.17(5) a, no action may be brought either attacking the foreclosure or seeking damages resulting therefrom unless brought within six months of the date of confirmation of the sale, and in no case may be brought unless the party bringing the same tenders the full amount of the secured party's investment in the property (including costs and expenses in the foreclosure action and all accrued interest), and if on hearing it is proven that the party bringing the action received mailed notice or had actual notice of the sale before it was held (or if a resale was involved, prior to the date of the last resale), then he shall not prevail and shall be charged with such costs and expenses as are incurred in defending such action, including reasonable attorneys' fees of the defending party to be assessed by the court. (1949, c. 720, s. 1; 1965, c. 41; 1967, c. 979, s. 3; 1975, c. 492, s. 3.)

#### Editor's Note. —

The 1967 amendment, effective Oct. 1, 1967, substituted "be not more than 10" for "not be more than seven" in paragraph (2)b.

The 1975 amendment rewrote this section.

Section 4 of c. 979, Session Laws 1967, provides: "This act does not amend the Uniform Commercial Code as enacted in this State. The application of statutes herein included or amended insofar as they relate to transactions subject to the Uniform Commercial Code as enacted in this State shall be in accordance with article 10 of chapter 25, of the General Statutes."

Session Laws 1975, c. 492, s. 13, provides: "The provisions of this act, except for Section 12 [§ 45-21.45], shall not apply to foreclosures which were commenced prior to the ratification hereof, but shall apply only to those as to which no notice of sale had been posted prior to such ratification." The act was ratified June 6, 1975.

Session Laws 1975, c. 492, s. 14, provides: "The words clerk of court as used in this act shall be deemed to include assistant clerk of court."

Session Laws 1975, c. 492, s. 16, provides that the act shall not affect pending litigation.

**Foreclosure Statutes Not Unconstitutional Per Se.** — The statutes providing procedure for real property mortgage foreclosure, sale, and eviction are not per se unconstitutional. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**But Held Unconstitutional as Applied.** — See *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**When Foreclosure and Sale under Statutory Scheme Not Unlawful.** — Foreclosure and sale pursuant to the statutory scheme is prospectively unlawful and void unless (a) the power of sale is determined by the clerk to be



a knowing, voluntary, and intelligent waiver of the Fourteenth Amendment due process rights, or (b) the clerk determines there has been adequate and timely notice to the mortgagor coupled with opportunity for a hearing before any rights are lost. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

Clerk of the court is barred by the Fourteenth Amendment from working a deprivation of the mortgagor's property without prior notice and an opportunity for a timely hearing — unless it is clear that those rights have been expressly waived. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**Minimum Required by Due Process.** — At a minimum, due process requires the trustee to make an initial showing before the clerk or similar neutral official that the mortgagor is in default under the obligation; the mortgagor must of course be afforded the opportunity to rebut and defend the charges. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**A hearing prior to foreclosure and sale is essential.** *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

The mortgagor must be given an opportunity for a hearing before he is deprived of any significant property interest. *Turner v.*

*Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**Absent express waiver, plaintiff is entitled to a good-faith attempt to notify her** by means reasonably calculated to inform her of imminent foreclosure. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**Due Process Satisfied.** — The notice of foreclosure by sale as provided for in a deed of trust and as required under this section was held sufficient to meet the minimum due process requirements. *Huggins v. Dement*, 13 N.C. App. 673, 187 S.E.2d 412 (1972), decided under this Article as it stood before the 1975 amendments.

**Purpose of Notice.** — The principal object in publishing notice of sale of mortgaged property in the exercise of a power of sale is not so much to notify the grantor or mortgagor as it is to inform the public generally, so that bidders may be present at the sale and a fair price obtained. *Huggins v. Dement*, 13 N.C. App. 673, 187 S.E.2d 412 (1972), decided under this Article as it stood before the 1975 amendments.

**Parties May Agree on Notice Procedure.** — Compliance with the notice procedure as agreed upon by the parties, if strictly complied with, is sufficient to give notice of foreclosure by sale. *Huggins v. Dement*, 13 N.C. App. 673, 187 S.E.2d 412 (1972), decided under this Article as it stood before the 1975 amendments.

**§§ 45-21.18, 45-21.19:** Repealed by Session Laws 1967, c. 562, s. 2, effective at midnight June 30, 1967.

**Cross Reference.** — See Editor's note to § 25-1-201.

**§ 45-21.20. Satisfaction of debt after publishing or posting notice, but before completion of sale.** — A power of sale is terminated if, prior to the time fixed for a sale, or prior to the expiration of the time for submitting any upset bid after a sale or resale has been held, payment is made or tendered of —

- (1) The obligation secured by the mortgage or deed of trust, and
- (2) The expenses incurred with respect to the sale or proposed sale, which in the case of a deed of trust also include compensation for the trustee's services under the conditions set forth in G.S. 45-21.15. (1949, c. 720, s. 1; 1967, c. 562, s. 2.)

**Editor's Note.** — The 1967 amendment, effective at midnight June 30, 1967, eliminated a reference to conditional sale contract in subdivision (1). See Editor's note to § 25-1-201.

**Cited in** *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).



**§ 45-21.21. Postponement of sale.** — (a) Any person exercising a power of sale may postpone the sale to a day certain not later than 20 days, exclusive of Sunday, after the original date for the sale —

- (1) When there are no bidders, or
- (2) When, in his judgment, the number of prospective bidders at the sale is substantially decreased by inclement weather or by any casualty, or
- (3) When there are so many other sales advertised to be held at the same time and place as to make it inexpedient and impracticable, in his judgment, to hold the sale on that day, or
- (4) When he is unable to hold the sale because of illness or for other good reason, or
- (5) When other good cause exists.

(b) Upon postponement of a sale, the person exercising the power of sale shall personally, or through his agent or attorney —

- (1) At the time and place advertised for the sale, publicly announce the postponement thereof; and
- (2) On the same day, attach to or enter on the original notice of sale or a copy thereof, posted at the courthouse door, as provided by G.S. 45-21.17, a notice of the postponement;
- (3) Give written or oral notice of postponement to each party entitled to notice of sale under G.S. 45-21.17.

(c) The posted notice of postponement shall —

- (1) State that the sale is postponed,
- (2) State the hour and date to which the sale is postponed,
- (3) State the reason for the postponement, and
- (4) Be signed by the person authorized to hold the sale, or by his agent or attorney.

(d) If a sale is not held at the time fixed therefor and is not postponed as provided by this section, or if a postponed sale is not held at the time fixed therefor or within 30 days of the date originally fixed for the sale, then prior to such sale's taking place the provisions of G.S. 45-21.16, 45-21.16A, and 45-21.17 shall be again complied with except that if on appeal from findings of the clerk pursuant to G.S. 45-21.16(d) and (e) the appellate court authorizes the sale to be held, as to such sale so authorized the provisions of G.S. 45-21.16 need not be complied with again but those of G.S. 45-21.16A and 45-21.17 shall be. (1949, c. 720, s. 1; 1967, c. 562, s. 2; 1975, c. 492, ss. 4-6.)

**Editor's Note.** — The 1967 amendment, effective at midnight June 30, 1967, rewrote subdivision (2) of subsection (b) so as to make it inapplicable to notice of postponement of sale of personal property. See Editor's note to § 25-1-201.

The 1975 amendment substituted "20" for "six" in the introductory paragraph of subsection (a), added subdivision (3) of subsection (b) and substituted, at the end of subsection (d), the language beginning "or within 30 days" for "the person authorized to hold the sale may readvertise the property in the same manner as he was required to advertise the sale which was not held, and may hold a sale at such later date as is fixed in the new notice of sale."

Session Laws 1975, c. 492, s. 13, provides: "The provisions of this act, except for Section 12 [§ 45-21.45], shall not apply to foreclosures which were commenced prior to the ratification hereof, but shall apply only to those as to which no notice of sale had been posted prior to such ratification." The act was ratified June 6, 1975.

Session Laws 1975, c. 492, s. 14, provides: "The words clerk of court as used in this act shall be deemed to include assistant clerk of court."

Session Laws 1975, c. 492, s. 16, provides that the act shall not affect pending litigation.

Cited in *Millikan v. Hammond*, 8 N.C. App. 429, 174 S.E.2d 835 (1970).



**§ 45-21.23. Time of sale.**

Cited in *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).

**§ 45-21.24. Continuance of uncompleted sale.**

Cited in *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).

**§ 45-21.25.** Repealed by Session Laws 1967, c. 562, s. 2, effective at midnight June 30, 1967.

**Cross Reference.** — See Editor's note to § 25-1-201.

**§ 45-21.26. Preliminary report of sale of real property.**

**Foreclosure Statutes Not Unconstitutional Per Se.** — The statutes providing procedure for real property mortgage foreclosure, sale, and eviction are not per se unconstitutional. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**But Held Unconstitutional as Applied.** — See *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**When Foreclosure and Sale under Statutory Scheme Not Unlawful.** — Foreclosure and sale pursuant to the statutory scheme is prospectively unlawful and void unless (a) the power of sale is determined by the clerk to be a knowing, voluntary, and intelligent waiver of the Fourteenth Amendment due process rights, or (b) the clerk determines there has been adequate and timely notice to the mortgagor coupled with opportunity for a hearing before any rights are lost. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

Clerk of the court is barred by the Fourteenth Amendment from working a deprivation of the mortgagor's property without prior notice and

an opportunity for a timely hearing — unless it is clear that those rights have been expressly waived. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**Verification of Essentials by Clerk.** — While the State has left to the trustee the functions of giving notice and conducting the public auction, the essentials thereof are subject to explicit verification by the clerk under this section. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**This is not merely an empty ritual** because the clerk has contempt power to enforce a failure timely to file a complete and correct report. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**The filing of a valid report is a necessary precondition** to the trustee's power to convey to the highest bidder at the auction. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**Stated** in *Carlisle v. Commodore Corp.*, 15 N.C. App. 650, 190 S.E.2d 703 (1972).

**§ 45-21.27. Upset bid on real property; compliance bonds.** — (a) An upset bid is an advanced, increased, or raised bid whereby any person offers to purchase real property theretofore sold, for an amount exceeding the reported sale price by ten percent (10%) of the first \$1000 thereof plus five percent (5%) of any excess above \$1000, but in any event with a minimum increase of \$25, such increase being deposited in cash, or by certified check or cashier's check satisfactory to the said clerk, with the clerk of the superior court, with whom the report of the sale was filed, within ten days after the filing of such report; such deposit to be made with the clerk of superior court before the expiration of the tenth day, and if the tenth day shall fall upon a Sunday or holiday, or upon a day in which the office of the clerk is not open for the regular dispatch of its



business, the deposit may be made on the day following when said office is open for the regular dispatch of its business. An upset bid need not be in writing, and the timely deposit with the clerk of the required amount, together with an indication to the clerk as to the sale to which it is applicable, is sufficient to constitute the upset bid, subject to the provisions of subsection (b).

(b) The clerk of the superior court may require the person submitting an upset bid also to deposit a cash bond, or, in lieu thereof at the option of the bidder, a surety bond, approved by the clerk. The amount of such bond shall not exceed the amount of the upset bid less the amount of the required deposit.

(c) The clerk of the superior court may in the order of resale require the highest bidder at a resale had pursuant to an upset bid to deposit with the clerk a cash bond, or, in lieu thereof at the option of the bidder, a surety bond, approved by the clerk. The bond shall be in such amount as the clerk deems adequate, but in no case greater than the amount of the bid of the person being required to furnish the bond.

(d) A compliance bond, such as is provided for by subsections (b) and (c), shall be payable to the State of North Carolina for the use of the parties in interest and shall be conditioned on the principal obligor's compliance with his bid. (1949, c. 720, s. 1; 1963, c. 377; 1967, c. 979, s. 3.)

#### **Editor's Note. —**

The 1967 amendment, effective Oct. 1, 1967, added at the end of the first sentence of subsection (a) the language which follows the semicolon and substituted "resale" for "sale" near the beginning of subsection (c).

Section 4 of c. 979, Session Laws 1967, provides: "This act does not amend the Uniform Commercial Code as enacted in this State. The application of statutes herein included or amended insofar as they relate to transactions subject to the Uniform Commercial Code as enacted in this State shall be in accordance with article 10 of chapter 25, of the General Statutes."

**As to constitutionality of statutes providing procedure for real property mortgage foreclosure, sale, and eviction,** see *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**A hearing prior to foreclosure and sale is essential.** *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).

**The right to submit an upset bid is obviously not a hearing.** *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).

**This section exists primarily to protect the mortgagor's equity.** *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).

**The intent is to extend to private foreclosure sales an effective equivalent of an equity court's power to decree a resale upon the filing of a substantial raised bid.** *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).

#### **Liberal Construction. —**

This section is to be liberally construed to give the mortgagor the full benefit of the intended protection. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).

#### **Statute Incorporated, etc. —**

This section is by operation of law incorporated into all deeds of trust. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).

**Discretion of Clerk. —** See *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).

**Statutory Period for Filing Upset Bid. —** This section provides that an upset bid may be filed with the clerk of superior court at any time within 10 days after the filing of the report of sale. Obviously, if no report of sale has been filed, the 10-day limitation has not begun to run. The trial court committed error in ordering the substitute trustee to convey the properties in accordance with the foreclosure proceedings thus far. The sales should remain open for an upset bid for a period of 10 days from the date this opinion is certified to the clerk of superior court. *Carlisle v. Commodore Corp.*, 15 N.C. App. 650, 190 S.E.2d 703 (1972).

**Statutory Period Tolled. —** The issuance and service of the temporary restraining order on the substitute trustee halted all proceedings under the foreclosure and tolled the running of the statutory period of 10 days for filing an upset bid. Only nine days elapsed between the date of the sale and the date the substitute trustee was restrained. If the report of sale had been filed on the day of the sale, one day of the statutory 10-day period for filing an upset bid would remain. If the report of sale had been filed on the fifth day after the sale, the maximum time allowed under § 45-21.26, five days of the statutory period of 10 days for filing an upset bid would remain. *Carlisle v. Commodore Corp.*, 15 N.C. App. 650, 190 S.E.2d 703 (1972).

**Cited in** *Allied Mtge. & Dev. Co. v. Pitts*, 272 N.C. 196, 158 S.E.2d 53 (1967).



**§ 45-21.29. Resale of real property; jurisdiction; procedure; orders for possession.**

(b) Notice of any resale to be held because of an upset bid shall —

(1) Be posted, at the courthouse door in the county in which the property is situated, for 15 days immediately preceding the sale.

(2) And in addition thereto,

a. If a newspaper qualified for legal advertising is published in the county, the notice shall be published in such a newspaper once a week for at least two successive weeks; but

b. If no such newspaper is published in the county, then notice shall be published once a week for at least two successive weeks in a newspaper having a general circulation in the county.

(3) Notice of resale shall be mailed to each party entitled to notice of sale pursuant to G.S. 45-21.17.

(k) Orders for possession of real property sold pursuant to this Article, in favor of the purchaser and against any party or parties in possession at the time of the sale who remain in possession at the time of application therefor, may be issued by the clerk of the superior court of the county in which such property is sold, when:

(1) Such property has been sold in the exercise of the power of sale contained in any mortgage or deed of trust or granted by this Article, and

(2) The purchaser is entitled to possession, and

(2a) The provisions of this Article have been complied with, and

(3) The purchase price has been paid, and

(4) The sale has been consummated, or if a resale is held, such resale has been confirmed, and

(5) Ten days' notice has been given to the party or parties in possession at the time of the sale or resale who remain in possession at the time application is made, and

(6) Application is made to such clerk by the mortgagee, the trustee named in such deed of trust, any substitute trustee, or the purchaser of the property. (1949, c. 720, s. 1; 1951, c. 252, s. 3; 1965, c. 299; 1967, c. 979, s. 3; 1975, c. 492, ss. 7-9.)

**Editor's Note. —**

The 1967 amendment, effective Oct. 1, 1967, rewrote subsection (k).

The 1975 amendment rewrote paragraph b of subdivision (2), and added subdivision (3), of subsection (b), and added subdivision (2a) of subsection (k).

Section 4 of c. 979, Session Laws 1967, provides: "This act does not amend the Uniform Commercial Code as enacted in this State. The application of statutes herein included or amended insofar as they relate to transactions subject to the Uniform Commercial Code as enacted in this State shall be in accordance with article 10 of chapter 25, of the General Statutes."

Session Laws 1975, c. 492, s. 13, provides: "The provisions of this act, except for Section 12 [§ 45-21.45], shall not apply to foreclosures which were commenced prior to the ratification hereof, but shall apply only to those as to which no notice of sale had been posted prior to such ratification." The act was ratified June 6, 1975.

Session Laws 1975, c. 492, s. 16, provides that the act shall not affect pending litigation.

As the rest of the section was not changed by the amendments, only subsections (b) and (k) are set out.

**Foreclosure Statutes Not Unconstitutional Per Se.** — The statutes providing procedure for real property mortgage foreclosure, sale, and eviction are not per se unconstitutional. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**But Held Unconstitutional as Applied.** — See *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**When Foreclosure and Sale under Statutory Scheme Not Unlawful.** — Foreclosure and sale pursuant to the statutory scheme is prospectively unlawful and void unless (a) the power of sale is determined by the clerk to be a knowing, voluntary, and intelligent waiver of the Fourteenth Amendment due process rights,



or (b) the clerk determines there has been adequate and timely notice to the mortgagor coupled with opportunity for a hearing before any rights are lost. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

Clerk of the court is barred by the Fourteenth Amendment from working a deprivation of the mortgagor's property without prior notice and an opportunity for a timely hearing — unless it is clear that those rights have been expressly waived. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**Minimum Requirements of Due Process.** — At a minimum, due process requires the trustee to make an initial showing before the clerk or similar neutral official that the mortgagor is in default under the obligation; the mortgagor must of course be afforded the opportunity to rebut and defend the charges. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**The jurisdiction of the clerk vests at the moment an upset bid is filed with him.** In re Register, 5 N.C. App. 29, 167 S.E.2d 802 (1969).

**Statutory Provisions Incorporated.** — Statutory provisions are, by operation of law, incorporated in all mortgages and deeds of trusts and control any sale under such instruments. In re Register, 5 N.C. App. 29, 167 S.E.2d 802 (1969); *Huggins v. Dement*, 13 N.C. App. 673, 187 S.E.2d 412 (1972).

**Clerk May Not, etc.** —

The provision of this section that on the resale of real property the clerk shall make all such

orders as may be just and necessary to safeguard the interests of all parties extends to orders securing the rights of the parties as defined by statute, but not to orders abrogating or abridging such rights. In re Register, 5 N.C. App. 29, 167 S.E.2d 802 (1969).

**Inadequacy of Purchase Price.** — Mere inadequacy of the purchase price realized at a foreclosure sale, standing alone, is not sufficient to upset a sale duly and regularly made in strict conformity with the power of sale. In re Register, 5 N.C. App. 29, 167 S.E.2d 802 (1969).

Where there is an irregularity in the sale, gross inadequacy of purchase price may be considered on the question of the materiality of the irregularity. In re Register, 5 N.C. App. 29, 167 S.E.2d 802 (1969).

Gross inadequacy of consideration, when coupled with any other inequitable element, even though neither, standing alone, may be sufficient for the purpose, will induce a court of equity to interpose and do justice between the parties. In re Register, 5 N.C. App. 29, 167 S.E.2d 802 (1969).

**The law presumes regularity in the execution of the power of sale** in a deed of trust duly executed and regular upon its face. *Huggins v. Dement*, 13 N.C. App. 673, 187 S.E.2d 412 (1972).

**Burden on Attacking Party.** — If there is any failure to advertise a sale properly, the burden is on the attacking party to show it. *Huggins v. Dement*, 13 N.C. App. 673, 187 S.E.2d 412 (1972).

**Applied in** In re Sale of Land of Warrick, 1 N.C. App. 387, 161 S.E.2d 630 (1968).

**Cited in** *Carlisle v. Commodore Corp.*, 15 N.C. App. 650, 190 S.E.2d 703 (1972).

**§ 45-21.29A. Necessity for confirmation of sale.** — No confirmation of sales of real property made pursuant to this article shall be required except as provided in G.S. 45-21.29 (h) for resales. If in case of an original sale under this article no upset bid has been filed at the expiration of the ten-day period, as provided in G.S. 45-21.27, the rights of the parties to the sale become fixed. (1967, c. 979, s. 3.)

**Editor's Note.** — Session Laws 1967, c. 979, s. 3, adding this section, is effective Oct. 1, 1967.

Section 4 of c. 979, Session Laws 1967, provides: "This act does not amend the Uniform Commercial Code as enacted in this State. The application of statutes herein included or amended insofar as they relate to transactions

subject to the Uniform Commercial Code as enacted in this State shall be in accordance with article 10 of chapter 25, of the General Statutes."

**Where no upset bid is filed, confirmation of the sale is not required.** *Britt v. Smith*, 6 N.C. App. 117, 169 S.E.2d 482 (1969).

**§ 45-21.30. Failure of bidder to make cash deposit or to comply with bid; resale.** — (a) If the terms of a sale of real property require the highest bidder to make a cash deposit at the sale, and he fails to make such required deposit, the person holding the sale shall at the same time and place again offer the property for sale.

(b) Repealed by Session Laws 1967, c. 562, s. 2, effective at midnight June 30, 1967.

(1967, c. 562, s. 2; 1975, c. 492, s. 10.)



**Editor's Note. —**

The 1967 amendment, effective at midnight June 30, 1967, repealed subsection (b). See Editor's note to § 25-1-201.

The 1975 amendment deleted "or personal" preceding "property" near the beginning of subsection (a).

Session Laws 1975, c. 492, s. 13, provides: "The provisions of this act, except for Section 12

[§ 45-21.45], shall not apply to foreclosures which were commenced prior to the ratification hereof, but shall apply only to those as to which no notice of sale had been posted prior to such ratification." The act was ratified June 6, 1975.

Session Laws 1975, c. 492, s. 16, provides that the act shall not affect pending litigation.

As the rest of the section was not changed by the amendments, it is not set out.

**§ 45-21.31. Disposition of proceeds of sale; payment of surplus to clerk. —**

(a) The proceeds of any sale shall be applied by the person making the sale, in the following order, to the payment of —

- (1) Costs and expenses of the sale, including the trustee's commission, if any, and a reasonable auctioneer's fee if such expense has been incurred;
  - (2) Taxes due and unpaid on the property sold, as provided by G.S. 105-408, unless the notice of sale provided that the property be sold subject to taxes thereon and the property was so sold;
  - (3) Special assessments, or any installments thereof, against the property sold, which are due and unpaid, as provided by G.S. 105-408, unless the notice of sale provided that the property be sold subject to special assessments thereon and the property was so sold;
  - (4) The obligation secured by the mortgage, deed of trust or conditional sale contract.
- (1967, c. 562, s. 2.)

**Editor's Note. —** The 1967 amendment, effective at midnight June 30, 1967, deleted "if the property sold is real property" following the references to § 105-408 in subdivisions (2) and (3) of subsection (a). See Editor's note to § 25-1-201.

G.S. 105-408, referred to in this section, was repealed by Session Laws 1971, c. 806, s. 3.

As the rest of the section was not changed by the amendment, only subsection (a) is set out.

**Liens Attach to Surplus Money. —** Surplus money arising upon a sale of land under a decree of foreclosure stands in the place of the land itself in respect to liens thereon or vested rights therein. It is constructively, at least, real property, and belongs to the mortgagor or his assigns. In re Castillian Apts., Inc., 281 N.C. 709, 190 S.E.2d 161 (1972).

**Trustee Authorized to Pay Surplus to Clerk of Superior Court. —** A trustee, upon

completion of foreclosure on entirety property, is authorized by this section to pay the surplus to the clerk of superior court. *Koob v. Koob*, 283 N.C. 129, 195 S.E.2d 552 (1973).

**And the clerk holds the money for safekeeping only,** having no interest therein other than to protect himself from liability on his official bond. *Koob v. Koob*, 283 N.C. 129, 195 S.E.2d 552 (1973); In re Foreclosure of Deed of Trust, 20 N.C. App. 610, 202 S.E.2d 318 (1974).

**Applied in** *Dixieland Realty Co. v. Wysor*, 272 N.C. 172, 158 S.E.2d 7 (1967); *Ridley v. Jim Walter Corp.*, 272 N.C. 673, 158 S.E.2d 869 (1968); *Witten Supply Co. v. Redmond*, 11 N.C. App. 173, 180 S.E.2d 487 (1971); *Koob v. Koob*, 16 N.C. App. 326, 192 S.E.2d 40 (1972), aff'd, 283 N.C. 129, 195 S.E.2d 552 (1973).

**Cited in** *Sullivan v. Johnson*, 268 N.C. 443, 150 S.E.2d 777 (1966).

**§ 45-21.32. Special proceeding to determine ownership of surplus.**

**Proceeding to Be Transferred to Superior Court for Trial. —** When respondent files an answer raising issues of fact as to the ownership of money on deposit with the clerk, the proceeding should be transferred to the civil issue docket of the superior court for trial. In re Foreclosure of Deed of Trust, 20 N.C. App. 610, 202 S.E.2d 318 (1974).

**Applied in** *Dixieland Realty Co. v. Wysor*, 272 N.C. 172, 158 S.E.2d 7 (1967).

**Cited in** *Smith v. Clerk of Superior Court*, 5 N.C. App. 67, 168 S.E.2d 1 (1969); In re Castillian Apts., Inc., 281 N.C. 709, 190 S.E.2d 161 (1972);



Koob v. Koob, 283 N.C. 129, 195 S.E.2d 552 (1973).

### § 45-21.33. Final report of sale of real property.

(c) The person who holds the sale shall also file with the clerk —

- (1) A copy of the notices of sale and resale, if any, which were posted, and
- (2) A copy of the notices of sale and resale, if any, which were published in a newspaper, together with an affidavit of publication thereof, if the notices were so published;
- (3) Proof as required by the clerk, which may be by affidavit, that notices of hearing, sale and resale were served upon all parties entitled thereto under G.S. 45-21.16, 45-21.17 and 45-21.29.

(1975, c. 492, s. 11.)

**Editor's Note.** — The 1975 amendment added subdivision (3) of subsection (c).

Session Laws 1975, c. 492, s. 13, provides: "The provisions of this act, except for Section 12 [§ 45-21.45], shall not apply to foreclosures which were commenced prior to the ratification hereof, but shall apply only to those as to which no notice of sale had been posted prior to such ratification." The act was ratified June 6, 1975.

Session Laws 1975, c. 492, s. 14, provides: "The words clerk of court as used in this act shall be deemed to include assistant clerk of court."

Session Laws 1975, c. 492, s. 16, provides that the act shall not affect pending litigation.

As the rest of the section was not changed by the amendment, only subsection (c) is set out.

**Foreclosure Statutes Not Unconstitutional Per Se.** — The statutes providing procedure for real property mortgage foreclosure, sale, and eviction are not per se unconstitutional. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**But Held Unconstitutional as Applied.** — See *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**When Foreclosure and Sale under Statutory Scheme Not Unlawful.** — Foreclosure and sale pursuant to the statutory scheme is prospectively unlawful and void unless (a) the power of sale is determined by the clerk to be a knowing, voluntary, and intelligent waiver of

the Fourteenth Amendment due process rights, or (b) the clerk determines there has been adequate and timely notice to the mortgagor coupled with opportunity for a hearing before any rights are lost. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

Clerk of the court is barred by the Fourteenth Amendment from working a deprivation of the mortgagor's property without prior notice and an opportunity for a timely hearing — unless it is clear that those rights have been expressly waived. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**Minimum Requirements of Due Process.** — At a minimum, due process requires the trustee to make an initial showing before the clerk or similar neutral official that the mortgagor is in default under the obligation; the mortgagor must of course be afforded the opportunity to rebut and defend the charges. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975), decided under this Article as it stood before the 1975 amendments.

**The purpose of this section** is to have in the files of the clerk proof that the foreclosure sale was properly conducted and that the notice was published. *Britt v. Britt*, 26 N.C. App. 132, 215 S.E.2d 172 (1975).

**The fact that a properly signed publisher's affidavit was not filed within 30 days** of the sale does not invalidate the sale. *Britt v. Britt*, 26 N.C. App. 132, 215 S.E.2d 172 (1975).

## ARTICLE 2B.

### *Injunctions; Deficiency Judgments.*

**§ 45-21.34. Enjoining mortgage sales or confirmations thereof on equitable grounds.** — Any owner of real estate, or other person, firm or corporation having a legal or equitable interest therein, may apply to a judge of the superior court, prior to the confirmation of any sale of such real estate by a mortgagee, trustee, commissioner or other person authorized to sell the same, to enjoin such sale or the confirmation thereof, upon the ground that the



amount bid or price offered therefor is inadequate and inequitable and will result in irreparable damage to the owner or other interested person, or upon any other legal or equitable ground which the court may deem sufficient: Provided, that the court or judge enjoining such sale or the confirmation thereof, whether by a temporary restraining order or injunction to the hearing, shall, as a condition precedent, require of the plaintiff or applicant such bond or deposit as may be necessary to indemnify and save harmless the mortgagee, trustee, cestui que trust, or other person enjoined and affected thereby against costs, depreciation, interest and other damages, if any, which may result from the granting of such order or injunction: Provided further, that in other respects the procedure shall be as is now prescribed by law in cases of injunction and receivership, with the right of appeal to the appellate division from any such order or injunction. (1933, c. 275, s. 1; 1949, c. 720, s. 3; 1969, c. 44, s. 50.)

**Editor's Note. —**

The 1969 amendment substituted "appellate division" for "Supreme Court" in the last proviso.

**A hearing prior to foreclosure and sale is essential.** *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).

**The extraordinary injunctive relief available under this section does not suffice as an opportunity for hearing** because (1) the burden of proof is clearly on the mortgagor; (2) he most likely must show irreparable damage, as by inadequacy of the bid; and (3) a condition precedent to relief is a bond providing for full indemnification. *Turner v. Blackburn*, 389 F. Supp. 1250 (W.D.N.C. 1975).

**The trustor in a deed of trust is entitled to restrain foreclosure** if the note secured by the instrument is not in default. *Princeton Realty Corp. v. Kalman*, 272 N.C. 201, 159 S.E.2d 193 (1967).

**When Restraining Order Should Be Continued to Final Hearing.** — See *Princeton Realty Corp. v. Kalman*, 272 N.C. 201, 159 S.E.2d 193 (1967).

**Mere Inadequacy of Price, etc. —**

Mere inadequacy of the bid at foreclosure is not sufficient, standing alone, to set the sale aside. *Britt v. Britt*, 26 N.C. App. 132, 215 S.E.2d 172 (1975).

**Cited in** *In re Register*, 5 N.C. App. 29, 167 S.E.2d 802 (1969).

**§ 45-21.35. Ordering resales before confirmation; receivers for property; tax payments.** — The court or judge granting such order or injunction, or before whom the same is returnable, shall have the right before, but not after, any sale is confirmed to order a resale by the mortgagee, trustee, commissioner, or other person authorized to make the same in such manner and upon such terms as may be just and equitable: Provided, the rights of all parties in interest, or who may be affected thereby, shall be preserved and protected by bond or indemnity in such form and amount as the court may require, and the court or judge may also appoint a receiver of the property or the rents and proceeds thereof, pending any sale or resale, and may make such order for the payment of taxes or other prior lien as may be necessary, subject to the right of appeal to the appellate division in all cases. (1933, c. 275, s. 2; 1949, c. 720, s. 3; 1969, c. 44, s. 51.)

**Editor's Note. —**

The 1969 amendment substituted "appellate division" for "Supreme Court" near the end of the section.

**§ 45-21.36. Right of mortgagor to prove in deficiency suits reasonable value of property by way of defense.** — When any sale of real estate has been made by a mortgagee, trustee, or other person authorized to make the same, at which the mortgagee, payee or other holder of the obligation thereby secured becomes the purchaser and takes title either directly or indirectly, and thereafter such mortgagee, payee or other holder of the secured obligation, as aforesaid, shall sue for and undertake to recover a deficiency judgment against the mortgagor, trustor or other maker of any such obligation whose property has



been so purchased, it shall be competent and lawful for the defendant against whom such deficiency judgment is sought to allege and show as matter of defense and offset, but not by way of counterclaim, that the property sold was fairly worth the amount of the debt secured by it at the time and place of sale or that the amount bid was substantially less than its true value, and, upon such showing, to defeat or offset any deficiency judgment against him, either in whole or in part: Provided, this section shall not affect nor apply to the rights of other purchasers or of innocent third parties, nor shall it be held to affect or defeat the negotiability of any note, bond or other obligation secured by such mortgage, deed of trust or other instrument: Provided, further, this section shall not apply to foreclosure sales made pursuant to an order or decree of court nor to any judgment sought or rendered in any foreclosure suit nor to any sale made and confirmed prior to April 18, 1933. (1933, c. 275, s. 3; 1949, c. 720, s. 3; 1967, c. 562, s. 2.)

**Editor's Note. —**

The 1967 amendment, effective at midnight June 30, 1967, deleted "or personal property" following "real estate" near the beginning of the section. See Editor's note to § 25-1-201.

Cited in *Kelly v. Davenport*, 7 N.C. App. 670, 173 S.E.2d 600 (1970); *Wendell Tractor & Implement Co. v. Lee*, 9 N.C. App. 524, 176 S.E.2d 854 (1970).

**§ 45-21.38. Deficiency judgments abolished where mortgage represents part of purchase price. —** In all sales of real property by mortgagees and/or trustees under powers of sale contained in any mortgage or deed of trust executed after February 6, 1933, or where judgment or decree is given for the foreclosure of any mortgage executed after February 6, 1933, to secure to the seller the payment of the balance of the purchase price of real property, the mortgagee or trustee or holder of the notes secured by such mortgage or deed of trust shall not be entitled to a deficiency judgment on account of such mortgage, deed of trust or obligation secured by the same: Provided, said evidence of indebtedness shows upon the face that it is for balance of purchase money for real estate: Provided, further, that when said note or notes are prepared under the direction and supervision of the seller or sellers, he, it, or they shall cause a provision to be inserted in said note disclosing that it is for purchase money of real estate; in default of which the seller or sellers shall be liable to purchaser for any loss which he might sustain by reason of the failure to insert said provisions as herein set out. (1933, c. 36; 1949, c. 720, s. 3; c. 856; 1961, c. 604; 1967, c. 562, s. 2.)

**Editor's Note. —**

The 1967 amendment, effective at midnight June 30, 1967, deleted the former second paragraph, which related to sales under conditional sales contracts. See Editor's note to § 25-1-201.

For article "Transferring North Carolina Real Estate Part I: How the Present System Functions," see 49 N.C.L. Rev. 413 (1971).

**Legislative Intent. —** The unique features of this section manifest the legislative intent that the statute as originally enacted should apply only to purchase-money mortgages and deeds of trust given by the vendee to the vendor, and that its application to third parties be limited to assignees of the seller. *Childers v. Parker's, Inc.*, 274 N.C. 256, 162 S.E.2d 481 (1968).

**Effect of 1961 amendment. —** The 1961 amendment did not change the original meaning

of this section; it merely made specific that which had theretofore been implicit. *Childers v. Parker's, Inc.*, 274 N.C. 256, 162 S.E.2d 481 (1968).

**This section was obviously designed to protect a vendor's assignee, who would not know the nature of the transaction.** *Childers v. Parker's, Inc.*, 274 N.C. 256, 162 S.E.2d 481 (1968).

**Section Held Inapplicable. —**

A deed of trust given by a vendee to his vendor to secure the purchase price of lands other than those described in the security instrument, cannot qualify as a purchase-money deed of trust under this section. This is true because a deed of trust is a purchase-money deed of trust only if it is made as a part of the same transaction in which the debtor purchases the land, embraces the land so purchased, and



secures all or part of its purchase price. Childers v. Parker's, Inc., 274 N.C. 256, 162 S.E.2d 481 (1968).

#### ARTICLE 2C.

##### *Validating Sections; Limitations of Time for Attacking Certain Foreclosures.*

##### **§ 45-21.42. Validation of deeds where no order or record of confirmation can be found.**

###### **Editor's Note. —**

Session Laws 1975, c. 454, purported to amend this section "by deleting in the second sentence thereof the words 'fifty-seven' and by inserting

in lieu thereof the words 'seventy-four'." Since this section consists of a single sentence, no attempt has been made to give effect to the amendment.

**§ 45-21.44. Validation of foreclosure sales when provisions of § 45-21.17(c)(2) not complied with. —** In all cases prior to March 1, 1974, where mortgages or deeds of trust on real estate with power of sale have been foreclosed pursuant to said power by proper advertisement except that the date of the last publication was from seven to 20 days preceding the date of sale, all such sales are fully validated, ratified, and confirmed and shall be as effective to pass title to the real estate described therein as fully and to the same extent as if the provisions of G.S. 45-21.17(c)(2) had been fully complied with. (1959, c. 52; 1963, c. 1157; 1971, c. 879, s. 1; 1975, c. 454, s. 2.)

###### **Editor's Note. —**

The 1971 amendment substituted "February 1, 1968" for "June 1, 1963."

The 1975 amendment substituted "March 1, 1974" for "February 1, 1968."

Session Laws 1971, c. 879, s. 2, provides: "This act shall not apply to any pending litigation."

Session Laws 1975, c. 454, s. 3, provides: "This act shall not apply to or affect pending litigation."

**§ 45-21.45. Validation of foreclosure sales where notice and hearing not provided. —** In all cases where mortgages or deeds of trust on real estate with power of sale have been foreclosed pursuant to said power by proper advertisement and sale, but the mortgagor or grantor under such mortgage or deed of trust did not receive actual notice of such foreclosure or have the opportunity of a hearing prior to such foreclosure, all such sales are hereby fully validated, ratified and confirmed and shall be as effective to pass title to the real estate described therein as fully and to the same extent as if such notice and opportunity for hearing had been given, unless an action to set aside such foreclosure is commenced within one year from June 6, 1975. (1975, c. 492, s. 12.)

**Editor's Note. —** Session Laws 1975, c. 492, which added this section was ratified June 6, 1975.

Session Laws 1975, c. 492, s. 16, provides that the act shall not affect pending litigation.

#### ARTICLE 4.

##### *Discharge and Release.*

**§ 45-37. Discharge of record of mortgages, deeds of trust and other instruments. —** (a) Subject to the provisions of G.S. 45-73 relating to secured instruments which secure future advances, any deed of trust or mortgage or other instrument intended to secure the payment of money or the performance



of any other obligation registered as required by law may be discharged and released of record in the following manner:

- (1) By acknowledgment of the satisfaction of the provisions of such deed of trust, mortgage or other instrument in the presence of the register of deeds by
  - a. The trustee,
  - b. The mortgagee,
  - c. The legal representative of a trustee or mortgagee, or
  - d. A duly authorized agent or attorney of any of the above.

Upon acknowledgment of satisfaction, the register of deeds shall forthwith make upon the margin of the record of such deed of trust, mortgage or other instrument an entry of such acknowledgment of satisfaction which shall be signed by the trustee, mortgagee, legal representative, agent or attorney and witnessed by the register of deeds, who shall also affix his name thereto.

- (2) By exhibition of any deed of trust, mortgage or other instrument accompanied with the bond, note, or other instrument thereby secured to the register of deeds, with the endorsement of payment and satisfaction appearing thereon by
  - a. The obligee,
  - b. The mortgagee,
  - c. The trustee,
  - d. An assignee of the obligee, mortgagee, or trustee, or
  - e. Any chartered banking institution, national or state, or credit union, qualified to do business in and having an office in the State of North Carolina, when so endorsed in the name of the institution by an officer thereof.

Upon exhibition of the instruments, the register of deeds shall cancel the mortgage, deed of trust or other instrument by entry of satisfaction on the margin of the record. The person so claiming satisfaction, performance or discharge of the debt or other obligation may retain possession of all of the instruments exhibited. The exhibition of the mortgage, deed of trust or other instrument alone to the register of deeds, with endorsement of payment, satisfaction, performance or discharge, shall be sufficient if the mortgage, deed of trust or other instrument itself sets forth the obligation secured or the performance of any other obligation and does not call for or recite any note, bond or other instrument secured by it. The register of deeds may require the person exhibiting the instruments for cancellation to furnish him an acknowledgment of cancellation of the mortgage, deed of trust or other instrument for the purpose of showing upon whose request and exhibition the mortgage, deed of trust or other instrument was canceled.

- (3) By exhibiting to the register of deeds by:
  - a. The grantor,
  - b. The mortgagor, or
  - c. An agent, attorney or successor in title of the grantor or mortgagor of any mortgage, deed of trust or other instrument intended to secure the payment of money or the performance of any other obligation, together with the bond, note or other instrument secured thereby, or by exhibition of the mortgage, deed of trust or other instrument alone if such instrument itself sets forth the obligation secured or other obligation to be performed and does not call for or recite any note, bond or other instrument secured by it, if at the time of exhibition, all such instruments are more than 10 years old counting from the maturity date of the last obligation secured. If the instrument or instruments



so exhibited have an endorsement of partial payment, satisfaction, performance or discharge within the said period of 10 years, the period of 10 years shall be counted from the date of the most recent endorsement.

The register of deeds shall make proper entry of cancellation and satisfaction of said instrument on the margin of the record where the same is recorded, whether there be any such entries on the original papers or not.

- (4) By exhibition to the register of deeds of any deed of trust given to secure the bearer or holder of any negotiable instruments transferable by delivery, together with all the evidences of indebtedness secured thereby, marked paid and satisfied in full and signed by the bearer or holder thereof.

Upon exhibition of the deed of trust, and the evidences of indebtedness properly marked, the register of deeds shall cancel such deed of trust by entry of satisfaction upon the margin of the record, which entry shall be valid and binding upon all persons, if no person rightfully entitled to the deed of trust or evidences of indebtedness has previously notified the register of deeds in writing of the loss or theft of the instrument or evidences of indebtedness and has caused the register of deeds to record the notice or loss or theft on the margin of the record of the deed of trust.

Upon receipt of written notice of loss or theft of the deed of trust or evidences of indebtedness the register of deeds shall make on the record of the deed of trust concerned a marginal entry in writing thereof, with the date of receipt of the notice. The deed of trust shall not be canceled after such marginal entry until the ownership of said instrument shall have been lawfully determined. Nothing in this subdivision (4) shall be construed to impair the negotiability of any instrument otherwise properly negotiable, nor to impair the rights of any innocent purchaser for value thereof.

Every entry of acknowledgment of satisfaction or of satisfaction made or witnessed by the register of deeds as provided in subdivision (a)(1) shall operate and have the same effect to release and discharge all the interest of such trustee, mortgagee or representative in such deed or mortgage as if a deed of release or reconveyance thereof had been duly executed and recorded.

(b) It shall be conclusively presumed that the conditions of any deed of trust, mortgage or other instrument securing the payment of money or securing the performance of any other obligation or obligations have been complied with or the debts secured thereby paid or obligations performed, as against creditors or purchasers for valuable consideration from the mortgagor or grantor, from and after the expiration of fifteen years from whichever of the following occurs last:

- (1) The date when the conditions of such instrument were required by its terms to have been performed, or
- (2) The date of maturity of the last installment of debt or interest secured thereby;

provided that the holder of the indebtedness secured by such instrument or party secured by any provision thereof may file an affidavit with the register of deeds which affidavit shall specifically state:

- (1) The amount of debt unpaid, which is secured by said instrument; or
- (2) In what respect any other condition thereof shall not have been complied with; or

may make on the margin of the record of the instrument a notation signed by the holder or party secured and witnessed by the register of deeds stating:



(1) Any payments that have been made on the indebtedness or other obligation secured by such instrument including the date and amount of payments and

(2) The amount still due or obligations not performed under the instrument. The effect of the filing of the affidavit or of the notation made as herein provided shall be to postpone the effective date of the conclusive presumption of satisfaction to a date fifteen years from the filing of the affidavit or from the making of the notation. There shall be only one postponement of the effective date of the conclusive presumption provided for herein. The register of deeds shall record the affidavit provided for herein and shall make a reference on the margin of the record of the instrument referred to therein to the filing of such affidavit and to the book and page where the affidavit is recorded. This subsection shall not apply to any deed, mortgage, deed of trust or other instrument made or given by any railroad company, or to any agreement of conditional sale, equipment trust agreement, lease, chattel mortgage or other instrument relating to the sale, purchase or lease of railroad equipment or rolling stock, or of other personal property.

(c) In any county in which deeds of trust and mortgages are recorded in the office of the register of deeds by microphotographic process or any other method or process which renders impractical or impossible the subsequent entry of marginal notations upon the records of instruments, the register of deeds, in lieu of making entries of acknowledgment, of satisfaction or of cancellation and satisfaction, shall require the submission for recordation of a notice of satisfaction sufficient to comply with the provisions of G.S. 45-37.2.

(d) For the purposes of this section "register of deeds" means the register of deeds, his deputies or assistants of the county in which the mortgage, deed of trust, or other instrument intended to secure the payment of money or performance of other obligation is registered.

(e) Any transaction subject to the provisions of the Uniform Commercial Code, chapter 25 of the General Statutes, is controlled by the provisions of that act and not by this section. (1870-1, c. 217; Code, s. 1271; 1891, c. 180; 1893, c. 36; 1901, c. 46; Rev., s. 1046; 1917, c. 49, s. 1; c. 50, s. 1; C. S., s. 2594; 1923, c. 192, s. 1; c. 195; 1935, c. 47; 1945, c. 988; 1947, c. 880; 1951, c. 292, s. 1; 1967, c. 765, ss. 1-5; 1969, c. 746; 1975, c. 305.)

#### Editor's Note. —

The 1969 amendment, effective Jan. 1, 1970, rewrote this section as previously amended in 1967.

The 1975 amendment inserted "or credit union" near the beginning of paragraph e of subdivision (a)(2). The 1975 act has been given effect as an amendment to paragraph e although s. 1 of the act did not contain an amending clause.

For article concerning the quest for clear land titles in North Carolina, see 44 N.C.L. Rev. 89 (1965).

#### Registration of Collateral Instrument as Notice. —

A purchaser is presumed to have examined each recorded deed or instrument in his line of title and to know its contents. He is not required to take notice of and examine recorded collateral instruments and documents which are not muniments of his title and are not referred to by the instruments in his chain of title. One need only to look to the muniments of title. Vitiating facts must appear in deraigning title, on the face of deeds in the chain of title, and in one of the muniments of title. *Morehead v. Harris*, 4 N.C. App. 235, 166 S.E.2d 476 (1969).

**§ 45-37.2. Recording satisfactions of deeds of trust and mortgages in counties using microfilm. —** In any county in which deeds of trust and mortgages are recorded in the office of the register of deeds by a microphotographic process or by any other method or process which renders impractical or impossible the subsequent entering of marginal notations upon the records of instruments, the register of deeds shall record the satisfaction and cancel the record of each such instrument satisfied by recording a notice of satisfaction which shall consist of a separate instrument, or that part of the



original deed of trust or mortgage re-recorded, reciting the names of all parties to the original instrument, the amount of the obligation secured, the date of satisfaction of the obligation, the appropriate entry of satisfaction as provided in G.S. 45-37, a reference by book and page number to the record of the instrument satisfied, and the date of recording the notice of satisfaction. (1963, c. 1021, s. 1; 1967, c. 765, s. 6.)

**Editor's Note.** — The 1967 amendment deleted the former last sentence, relating to entries in the alphabetical indexes kept by register of deeds.

**§ 45-38. Entry or recording of foreclosure.** — In case of foreclosure of any deed of trust, or mortgage, the trustee or mortgagee shall enter upon the margin of the record thereof the fact that such foreclosure and the date when, and the person to whom, a conveyance was made by reason thereof. In the event the entire obligation secured by a mortgage or deed of trust is satisfied by a sale of only a part of the property embraced within the terms of the mortgage or deed of trust, the trustee or mortgagee shall make an additional notation as to which property was sold and which was not sold.

Provided, that in counties in which deeds of trust and mortgages are recorded in the office of the register of deeds by a microphotographic process or by any process or method which renders impractical or impossible the subsequent entering of marginal notations upon the records of instruments, the register of deeds shall record the foreclosure of each deed of trust or mortgage foreclosed by recording a notice of foreclosure which shall consist of a separate instrument, or that part of the original deed of trust or mortgage rerecorded, reciting the information required hereinabove, the names of all parties to the original instrument, the amount of the obligation secured, a reference by book and page number to the record of the instrument foreclosed, and the date of recording the notice of foreclosure. (1923, c. 192, s. 2; C. S., s. 2594(a); 1949, c. 720, s. 2; 1963, c. 1021, s. 2; 1971, c. 985.)

**Editor's Note.** —

The 1971 amendment deleted the last sentence of the second paragraph.

## ARTICLE 5.

### *Miscellaneous Provisions.*

§§ 45-43.1 to 45-43.5: Repealed by Session Laws 1971, c. 1229, s. 1, effective July 1, 1971.

**Editor's Note.** — For provisions similar to the repealed sections, see §§ 24-12 to 24-17.

**§ 45-45. Spouse of mortgagor included among those having right to redeem real property.**

**Allegations of defendant that her husband conveyed property to a trustee without her joinder** for the purpose of defeating her right to protect the property from a prior deed of trust, which contained her joinder, fail to state facts constituting a defense or counterclaim in

an action in ejectment, since the husband's conveyance without her joinder does not prevent her from exercising her right to redemption from the prior deed of trust. *Peoples Oil Co. v. Richardson*, 271 N.C. 696, 157 S.E.2d 369 (1967).



**§ 45-45.1. Release of mortgagor by dealings between mortgagee and assuming grantee.**

**Editor's Note.** — For comment on application of statute of limitations to promise of grantee assuming mortgage or deed of trust, see 43 N.C.L. Rev. 966 (1965).

**ARTICLE 6.***Uniform Trust Receipts Act.*

**§§ 45-46 to 45-66:** Repealed by Session Laws 1965, c. 700, s. 2, effective at midnight June 30, 1967.

**ARTICLE 7.***Instruments to Secure Future Advances and Future Obligations.*

**§ 45-67. Definition.** — As used in this article, "security instrument" means a mortgage, deed of trust, or other instrument relating to real property securing an obligation or obligations to a person, firm, or corporation specifically named in such instrument, as distinguished from being included in a class of security holders referred to therein, for the payment of money. (1969, c. 736, s. 1.)

**Editor's Note.** — Session Laws 1969, c. 736, s. 3, makes the act effective Oct. 1, 1969.

**§ 45-68. Requirements.** — A security instrument, otherwise valid, shall secure future obligations which may from time to time be incurred thereunder so as to give priority thereto as provided in G.S. 45-70, if:

- (1) Such security instrument shows:
  - a. That it is given wholly or partly to secure future obligations which may be incurred thereunder;
  - b. The amount of present obligations secured, and the maximum amount, including present and future obligations, which may be secured thereby at any one time;
  - c. The period within which such future obligations may be incurred, which period shall not extend more than ten years beyond the date of the security instrument; and
- (2) At the time of incurring any such future obligations, each obligation is evidenced by a written instrument or notation, signed by the obligor and stipulating that such obligation is secured by such security instrument; and
- (3) At any time a security instrument securing future advances is transferred or assigned by the owner thereof that the amount, date and due date of each note, bond, or other undertaking for the payment of money representing a future obligation secured by such security instrument be noted in writing thereon. (1969, c. 736, s. 1.)

**§ 45-69. Fluctuation of obligations within maximum amount.** — Unless the security instrument provides to the contrary, if the maximum amount has not been advanced or if any obligation secured thereby is paid or is reduced by partial payment, further obligation may be incurred from time to time within the time limit fixed by the security instrument, provided the unpaid balance of principal outstanding shall never exceed the maximum amount authorized pursuant to G.S. 45-68 (1) b. Such further obligations shall be secured to the same



extent as original obligations thereunder, if the provisions of G.S. 45-68 (2) and (3) are complied with. (1969, c. 736, s. 1.)

**§ 45-70. Priority of security instrument.** — (a) Any security instrument which conforms to the requirements of this Article and which on its face shows that the making of future advances is obligatory, shall, from the time and date of registration thereof, have the same priority to the extent of all obligatory future advances secured by it, as if all the advances had been made at the time of the execution of the instrument.

(b) Any security instrument which conforms to the requirements of this Article, which on its face does not show that the making of future advances is obligatory, shall, from the time and date of registration thereof, have the same priority to the extent of all obligations secured by it, as if all the advances had been made at the time of the execution of the instrument, except that when an intervening lienor or encumbrancer gives actual notice as hereinafter provided that an intervening lien or encumbrance has been perfected on the property covered by the security instrument, or is being incurred and when perfected will relate back to the time when incurred, any future advances made subsequent to the receipt of such notice shall not take priority over such intervening perfected lien or encumbrance. Such notice shall be in writing and shall be given to the secured creditor named in the security instrument; but if the security instrument is registered and if any assignment of the security instrument has been noted on the margin of the record showing the name and address of the assignee, such notice shall be given to the last assignee so noted at the address so shown.

(c) Payments made by the secured creditor for fire and extended coverage insurance, taxes, assessments, or other necessary expenditures for the preservation of the security shall be secured by the security instrument and shall have the same priority as if such payments had been made at the time of the execution of the instrument, whether or not notice has been given as provided in subsection (b) of this section. The provisions of G.S. 45-68(2) and (3) shall not be applicable to such payments, nor shall such payments be considered in computing the maximum amount which may be secured by the instrument.

(d) Notwithstanding any other provision of this Article, any security instrument hereafter executed which secures an obligation or obligations of an electric or telephone membership corporation incorporated or domesticated in North Carolina to the United States of America or any of its agencies, or to any other financing institution, shall from the time and date of registration of said security instrument have the same priority to the extent of all future advances secured by it as if all the advances had been made at the time of the execution of the instrument, regardless of whether the making of such advances is obligatory or whether the security instrument meets the requirements of G.S. 45-68. (1969, c. 736, s. 1; 1971, c. 565.)

**Editor's Note.** — The 1971 amendment added subsection (d).

**Cited in** State v. Brown, 9 N.C. App. 498, 176 S.E.2d 881 (1970).

**§ 45-71. Satisfaction of the security instrument.** — Upon payment of all the obligations secured by a security instrument which conforms to the requirements of this article and upon termination of all obligation to make advances, and upon written demand made by the maker of the security instrument, his successor in interest, or anyone claiming under him, the holder of the security instrument is hereby authorized to and shall make a written entry upon the security instrument showing payment and satisfaction of the instrument, which entry he shall date and sign. When the security instrument secures notes, bonds, or other undertakings for the payment of money which



have not already been entered on the security instrument as paid, the holder of the security instrument, unless payment was made to him, may require the exhibition of all such evidences of indebtedness secured by the instrument marked paid before making his entry showing payment and satisfaction. (1969, c. 736, s. 1.)

**§ 45-72. Termination of future optional advances.** — (a) The holder of a security instrument conforming to the provisions of this article, which on its face does not show that the making of future advances is obligatory, shall, at the request of the maker of the security instrument or his successor in title promptly furnish to him a statement duly executed and acknowledged in such form as to meet the requirements for the execution and acknowledgment of deeds, setting forth in substance the following:

"This is to certify that the total outstanding balance of all obligations, the payment of which is secured by that certain instrument executed by . . . . ., dated . . . . ., recorded in book . . . . . at page . . . . . in the office of the Register of Deeds of . . . . . County, North Carolina, is \$. . . . ., of which amount \$. . . . . represents principal.

"No future advances will be made under the aforesaid instrument, except such expense as it may become necessary to advance to preserve the security now held.

"This . . . . . day of . . . . ., 19. . . . .

(Signature and Acknowledgment)"

(b) Such statement, when duly executed and acknowledged, shall be entitled to probate and registration, and upon filing for registration shall be effective from the date of the statement. It shall have the effect of limiting the lien or encumbrance of the holder of the security instrument to the amount therein stated, plus any necessary advances made to preserve the security, and interest on the unpaid principal. It shall bar any further advances under the security instrument therein referred to except such as may be necessary to preserve the security then held as provided in G.S. 45-70 (c). (1969, c. 736, s. 1.)

**§ 45-73. Cancellation of record; presentation of notes described in security instrument sufficient.** — The provisions of G.S. 45-37 apply to discharge of record of instruments executed under this article except that in cases of cancellation by exhibition or presentation under G.S. 45-37 (a) (2) or G.S. 45-37 (a) (3), only notes or bonds described in the body of the instrument or noted in writing thereon as provided in G.S. 45-68 (3) need be exhibited or presented. (1969, c. 736, s. 1.)

**§ 45-74. Article not exclusive.** — The provisions of this article shall not be deemed exclusive, and no security instrument securing future advances or future obligations which is otherwise valid shall be invalidated by failure to comply with the provisions of this article. (1969, c. 736, s. 1.)



## Chapter 46.

### Partition.

#### Article 1.

##### Partition of Real Property.

- Sec.  
46-8. Oath of commissioners.  
46-12. Owelty from infant's share due at majority.  
46-17.1. Dedication of streets.

#### Article 2.

##### Partition Sales of Real Property.

- Sec.  
46-25. Sale of standing timber on partition; valuation of life estate.

## ARTICLE 1.

### *Partition of Real Property.*

#### § 46-1. Partition is a special proceeding.

**What Petition Should Allege.** — A petition under this section is in the ordinary form of a complaint in a civil action, and should allege that the plaintiffs and defendants are tenants in common of the land, which should be described, and the interest of each party should be stated; that the plaintiffs desire to hold their interests in severalty, and that they are entitled to partition for that purpose. *Pearson v. McKenney*, 5 N.C. App. 544, 169 S.E.2d 46 (1969).

**Demurrers.** — The same rules respecting demurrers are applicable to pleadings in partitioning proceedings as are applicable to pleadings in any other civil action. *Pearson v. McKenney*, 5 N.C. App. 544, 169 S.E.2d 46 (1969).

**Applied in** *Couch v. Couch*, 18 N.C. App. 108, 196 S.E.2d 64 (1973).

#### § 46-3. Petition by cotenant or personal representative of cotenant.

##### I. IN GENERAL.

**In this State partition proceedings have been consistently held to be equitable in nature**, and the court has jurisdiction to adjust all equities in respect to the property. *Kayann Properties, Inc. v. Cox*, 268 N.C. 14, 149 S.E.2d 553 (1966).

**And Petitioner Must Do Equity.** — Partition is always subject to the principle that he who seeks it by coming into equity for relief must do equity. *Kayann Properties, Inc. v. Cox*, 268 N.C. 14, 149 S.E.2d 553 (1966).

##### **Tenant in Common Is Entitled, etc. —**

**Prima facie**, a tenant in common is entitled, as a matter of right, to a partition of the lands so that he may enjoy his share in severalty. If, however, an actual partition cannot be made without injury to some or all of the parties interested, he is equally entitled to a partition by sale. *Kayann Properties, Inc. v. Cox*, 268 N.C. 14, 149 S.E.2d 553 (1966).

**But Tenant in Common May Waive Right by Contract.** — While it is the general rule that a tenant in common may have partition as a matter of right, it is equally well established that a cotenant may, either by an express or implied contract, waive his right to partition for a reasonable time. When he does, partition will be denied him or his successors who take with

notice. *Kayann Properties, Inc. v. Cox*, 268 N.C. 14, 149 S.E.2d 553 (1966).

A person can validly contract away his right to partition in a deed of separation. *Hepler v. Burnham*, 24 N.C. App. 362, 210 S.E.2d 509 (1975).

Statutes declaring that joint tenants or tenants in common shall have a right to partition were never intended to interfere with contract between such tenants modifying or limiting this otherwise incidental right, or to render it incompetent for parties to make such contracts, either at the time of the creation of the tenancy or afterwards. *Hepler v. Burnham*, 24 N.C. App. 362, 210 S.E.2d 509 (1975).

**The life tenant of a one-half interest in realty may maintain a partition proceeding** against the fee simple owner of the other one-half interest in the property. *First-Citizens Bank & Trust Co. v. Carr*, 279 N.C. 539, 184 S.E.2d 268 (1971).

**Equity will not award partition at the suit of one in violation of his own agreement** or in violation of a condition or restriction imposed on the estate by one through whom he claims. The objection to partition in such cases is in the nature of an estoppel. *Kayann Properties, Inc. v. Cox*, 268 N.C. 14, 149 S.E.2d 553 (1966).



The refusal of partition to one who has brought suit therefor in violation of his contract appears to bear a close analogy to the grant of specific performance of a contract. *Kayann Properties, Inc. v. Cox*, 268 N.C. 14, 149 S.E.2d 553 (1966).

**Burden of Proof.** — The burden is on him who seeks a sale in lieu of actual partition to allege and prove the facts upon which the order of sale must rest. *Kayann Properties, Inc. v. Cox*, 268 N.C. 14, 149 S.E.2d 553 (1966).

### § 46-7. Commissioners appointed.

Cited in *Pearson v. McKenney*, 5 N.C. App. 544, 169 S.E.2d 46 (1969).

**§ 46-8. Oath of commissioners.** — The commissioners shall be sworn by a magistrate, the sheriff or any deputy sheriff of the county, or any other person authorized to administer oaths, to do justice among the tenants in common in respect to such partition, according to their best skill and ability. (1868-9, c. 122, s. 2; Code, s. 1893; Rev., s. 2492; C. S., s. 3220; 1945, c. 472; 1971, c. 1185, s. 8.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice of the peace."

### § 46-10. Commissioners to meet and make partition; equalizing shares.

Applied in *Pearson v. McKenney*, 5 N.C. App. 544, 169 S.E.2d 46 (1969).

**§ 46-12. Owelty from infant's share due at majority.** — When a minor to whom a more valuable dividend shall fall is charged with the payment of any sum, the money shall not be payable until such minor arrives at the age of 18 years, but the general guardian, if there be one, must pay such sum whenever assets shall come into his hands, and in case the general guardian has assets which he did not so apply, he shall pay out of his own proper estate any interest that may have accrued in consequence of such failure. (1868-9, c. 122, s. 9; Code, s. 1900; Rev., s. 2497; C. S., s. 3224; 1971, c. 1231, s. 1.)

**Editor's Note.** — The 1971 amendment substituted "18" for "twenty-one."

**§ 46-17.1. Dedication of streets.** — Upon motion of any party or the commissioners appointed to make division, the clerk may authorize the commissioners to propose and report the dedication of such portions of the land as are necessary as a means of access to any share, or is otherwise advisable for public or private highways, streets or alleys, and such proposal shall be acted upon by the clerk as a part of the report and, if approved, shall constitute a dedication. No interest of a minor or other person under disability shall be affected thereby until such dedication is approved by a judge of the superior court. (1969, c. 45.)



## § 46-18. Map embodying survey to accompany report.

Cited in *Pearson v. McKenney*, 5 N.C. App. 544, 169 S.E.2d 46 (1969).

### ARTICLE 2.

#### *Partition Sales of Real Property.*

## § 46-22. Sale in lieu of partition.

### **Tenants in common are entitled, etc. —**

Prima facie, a tenant in common is entitled, as a matter of right, to a partition of the lands so that he may enjoy his share in severalty. If, however, an actual partition cannot be made without injury to some or all of the parties interested, he is equally entitled to a partition by sale. *Kayann Properties, Inc. v. Cox*, 268 N.C. 14, 149 S.E.2d 553 (1966).

### **The burden, etc. —**

The burden is on him who seeks a sale in lieu of actual partition to allege and prove the facts upon which the order of sale must rest. *Kayann*

*Properties, Inc. v. Cox*, 268 N.C. 14, 149 S.E.2d 553 (1966).

**Life Estate Does Not Bar Sale of Reversion or Remainder.** — The existence of a life estate is not, per se, “a bar to a sale for partition of the remainder or reversion thereof,” since, for the purpose of partition, tenants in common are deemed seized and possessed as if no life estate existed. The actual possession of the life tenant, however, cannot be disturbed so long as it exists. *Kayann Properties, Inc. v. Cox*, 268 N.C. 14, 149 S.E.2d 553 (1966).

## § 46-23. Remainder or reversion sold for partition; outstanding life estate.

**Rule under Section.** — The existence of a life estate is not, per se, “a bar to a sale for partition of the remainder or reversion thereof,” since, for the purpose of partition, tenants in common are deemed seized and possessed as if no life estate

existed. The actual possession of the life tenant, however, cannot be disturbed so long as it exists. *Kayann Properties, Inc. v. Cox*, 268 N.C. 14, 149 S.E.2d 553 (1966).

## § 46-24. Life tenant as party; valuation of life estate.

**Life Tenant May Proceed against Owner of Other One-Half Interest.** — The life tenant of a one-half interest in realty may maintain a partition proceeding against the fee simple owner of the other one-half interest in the

property. *First-Citizens Bank & Trust Co. v. Carr*, 279 N.C. 539, 184 S.E.2d 268 (1971).

Cited in *Piland v. Piland*, 24 N.C. App. 653, 211 S.E.2d 844, cert. denied, 286 N.C. 723, 213 S.E.2d 723 (1975).

**§ 46-25. Sale of standing timber on partition; valuation of life estate. —** When two or more persons own, as tenants in common, joint tenants or copartners, a tract of land, either in possession, or in remainder or reversion, subject to a life estate, or where one or more persons own a remainder or reversionary interest in a tract of land, subject to a life estate, then in any such case in which there is standing timber upon any such land, a sale of said timber trees, separate from the land, may be had upon the petition of one or more of said owners, or the life tenant, for partition among the owners thereof, including the life tenant, upon such terms as the court may order, and under like proceedings as are now prescribed by law for the sale of land for partition: Provided, that when the land is subject to a life estate, the life tenant shall be made a party to the proceedings, and shall be entitled to receive his portion of the net proceeds of sales, to be ascertained under the mortuary tables established by law: Provided further, that prior to a judgment allowing a life tenant to sell the timber there must be a finding that the cutting is in keeping with good husbandry and that no substantial injury will be done to the remainder



interest. (1895, c. 187; Rev., s. 2510; C. S., s. 3236; 1949, c. 34; 1975, c. 476, s. 1.)

**Editor's Note. —**

The 1975 amendment, effective Oct. 1, 1975, added the second proviso at the end of the section. Session Laws 1975, c. 476, s. 2, provides that the amendatory act shall apply only to property acquired by deed, inheritance or will after its effective date.

**This section changes the common law** and permits a sale of timber for profit, by a life tenant, with the remaindermen receiving their share of the proceeds. At common law the life tenant was not permitted to sell standing timber, nor to receive benefit from it except for ordinary purposes in using the land. *Piland v. Piland*, 24 N.C. App. 653, 211 S.E.2d 844, cert. denied, 286 N.C. 723, 213 S.E.2d 723 (1975).

**It gives the life tenant an advantage in timber that he does not enjoy in land.** Life tenants may not maintain partition proceedings against tenants in common in the remainder.

*Piland v. Piland*, 24 N.C. App. 653, 211 S.E.2d 844, cert. denied, 286 N.C. 723, 213 S.E.2d 723 (1975).

**Section Is Permissive.—**

The use of the word "may" obviously makes this section permissive. *Piland v. Piland*, 24 N.C. App. 653, 211 S.E.2d 844, cert. denied, 286 N.C. 723, 213 S.E.2d 723 (1975).

**Discretion of Court. —** Under this section the court has the power in its discretion to order the sale of timber upon the life tenant's petition. *Piland v. Piland*, 24 N.C. App. 653, 211 S.E.2d 844, cert. denied, 286 N.C. 723, 213 S.E.2d 723 (1975).

**This section does not require findings as to the necessity and advisability of a sale.** *Piland v. Piland*, 24 N.C. App. 653, 211 S.E.2d 844, cert. denied, 286 N.C. 723, 213 S.E.2d 723 (1975), decided under this section as it stood before the 1975 amendment.

## § 46-30. Deed to purchaser; effect of deed.

**Power of Clerk of Superior Court to Authorize Commission to Impose Restrictive Covenants. —** Clerk of superior court may not authorize commissioners in proceeding to partition land among tenants in common to impose legally binding restrictive covenants

when there are no restrictions prior to partition and some of the cotenants do not consent to the imposition of such covenants. Opinion of Attorney General to Honorable M.L. Huggins, 42 N.C.A.G. 1 (1972).

## § 46-34. Shares to persons unknown or not sui juris secured.

Cited in *In re Estate of Nixon*, 2 N.C. App. 422, 163 S.E.2d 274 (1968).

## ARTICLE 4.

### *Partition of Personal Property.*

## § 46-42. Personal property may be partitioned; commissioners appointed.

**Editor's Note. —** For article on joint ownership of corporate securities in North Carolina, see 44 N.C.L. Rev. 290 (1966).



**Chapter 47.****Probate and Registration.****Article 1.****Probate.**

Sec.

47-1. Officials of State authorized to take probate.

47-2. Officials of the United States, foreign countries, and sister states.

47-2.2. Notary public of sister state; lack of seal or stamp or expiration date of commission.

47-4. [Repealed.]

47-5. When seal of officer necessary to probate.

47-7. Probate where clerk is a party.

47-14. Register of deeds to pass on certificate and register instruments; order by judge; instruments to which register of deeds is a party.

**Article 2.****Registration.**

47-17.1. Documents registered or ordered to be registered in certain counties to designate draftsman; exceptions.

47-18. Conveyances, contracts to convey and leases of land.

47-18.1. Registration of certificate of corporate merger or consolidation.

47-20. Deeds of trust, mortgages and conditional sales contracts; effect of registration.

47-20.5. Real property; effectiveness of after-acquired property clause.

47-21. Blank or master forms of mortgages, etc; embodiment by reference in instruments later filed.

47-22. Counties may provide for photographic or photostatic registration.

47-27. Deeds of easements.

47-30. Plats and subdivisions; mapping requirements.

47-32. Photographic copies of plats, etc.

47-32.1. Photostatic copies of plats, etc.; alternative provisions.

**Article 3.****Forms of Acknowledgment, Probate and Order of Registration.**

47-37. Certificate and adjudication of registration.

Sec.

47-39. Form of acknowledgment of conveyances and contracts between husband and wife.

47-41. Corporate conveyances.

47-41.1. Corporate seal.

47-44. Clerk's certificate upon probate by justice of peace or magistrate.

**Article 4.****Curative Statutes; Acknowledgments; Probates; Registration.**

47-48. Clerks' and registers of deeds' certificate failing to pass on all prior certificates.

47-51. Official deeds omitting seals.

47-53.1. Acknowledgment omitting seal of notary public.

47-63. Probates before officer of interested corporation.

47-71.1. Corporate seal omitted prior to January, 1973.

47-72. Corporate name not affixed, but signed otherwise prior to January, 1973.

47-95. Acknowledgments taken by notaries interested as trustee or holding other office.

47-107. Validation of probate and registration of certain instruments where name of grantor omitted from record.

47-108.11. Validation of recorded instruments where seals have been omitted.

47-108.17. Validation of certain deeds where official capacity not designated.

**Article 5.****Registration of Official Discharges from the Military and Naval Forces of the United States.**

47-113. Certified copy of registration.

**Article 6.****Execution of Powers of Attorney.**

47-115.1. Appointment of attorney in fact which may be continued in effect notwithstanding incapacity or mental incompetence of the principal therein.



## ARTICLE 1.

*Probate.*

**§ 47-1. Officials of State authorized to take probate.** — The execution of all deeds of conveyance, contracts to buy, sell or convey lands, mortgages, deeds of trust, instruments modifying or extending the terms of mortgages or deeds of trust, assignments, powers of attorney, covenants to stand seized to the use of another, leases for more than three years, releases, affidavits concerning land titles or family history, any instruments pertaining to real property, and any and all instruments and writings of whatever nature and kind which are required or allowed by law to be registered in the office of the register of deeds or which may hereafter be required or allowed by law to be so registered, may be proved or acknowledged before any one of the following officials of this State: The justices, judges, magistrates, clerks, assistant clerks, and deputy clerks of the General Court of Justice, and notaries public. (Code, s. 1246; 1895, c. 161, ss. 1, 3; 1897, c. 87; 1899, c. 235; Rev., s. 989; C. S., s. 3293; 1951, c. 772; 1969, c. 44, s. 52; 1971, c. 1185, s. 9.)

**Editor's Note.** — The 1969 amendment rewrote the portion of the section which follows the colon.

The 1971 amendment, effective Oct. 1, 1971, substituted "and notaries public" for "the judges and clerks of courts inferior to the superior court, commissioners of affidavits appointed by the Governor of this State, notaries public, and the several justices of the peace" at the end of the section.

For article, "Toward Greater Marketability of Land Titles — Remedying the Defective Acknowledgment Syndrome," see 46 N.C.L. Rev. 56 (1967).

**Taking of an acknowledgment of the execution of a deed by a notary public** is a judicial or quasi-judicial act by a public official for which he may not be held liable absent a showing that his act was corrupt. *Nelson v. Comer*, 21 N.C. App. 636, 205 S.E.2d 537 (1974).

**§ 47-2. Officials of the United States, foreign countries, and sister states.**

— The execution of all such instruments and writings as are permitted or required by law to be registered may be proved or acknowledged before any one of the following officials of the United States, of the District of Columbia, of the several states and territories of the United States, of countries under the dominion of the United States and of foreign countries: Any judge of a court of record, any clerk of a court of record, any notary public, any commissioner of deeds, any commissioner of oaths, any mayor or chief magistrate of an incorporated town or city, any ambassador, minister, consul, vice-consul, consul general, vice-consul general, or commercial agent of the United States, any justice of the peace of any state or territory of the United States, any officer of the army or air force of the United States or United States marine corps having the rank of warrant officer or higher, any officer of the United States navy or coast guard having the rank of warrant officer, or higher, or any officer of the United States merchant marine having the rank of warrant officer, or higher. No official seal shall be required of said military, naval or merchant marine official, but he shall sign his name, designate his rank, and give the name of his ship or military organization and the date, and for the purpose of certifying said acknowledgment, he shall use a form in substance as follows:

On this the . . . . . day of . . . . ., 19. . . , before me . . . . ., the undersigned officer, personally appeared . . . . ., known to me (or satisfactorily proven) to be accompanying or serving in or with the armed forces of the United States (or to be the spouse of a person accompanying or serving in or with the armed forces of the United States) and to be the person whose name is subscribed to the within instruments and acknowledged that . . . . . he . . . . . executed the same for the purposes therein contained. And the undersigned does further certify that he is at the date



of this certificate a commissioned officer of the rank stated below and is in the active service of the armed forces of the United States.

.....  
Signature of Officer  
.....

Rank of Officer and command to which attached.

If the proof or acknowledgment of the execution of an instrument is had before a justice of the peace of any state of the United States other than this State or of any territory of the United States, the certificate of such justice of the peace shall be accompanied by a certificate of the clerk of some court of record of the county in which such justice of the peace resides, which certificate of the clerk shall be under his hand and official seal, to the effect that such justice of the peace was at the time the certificate of such justice bears date an acting justice of the peace of such county and state or territory and that the genuine signature of such justice of the peace is set to such certificate. (1899, c. 235, s. 5; 1905, c. 451; Rev., s. 990; 1913, c. 39, s. 1; Ex. Sess. 1913, c. 72, s. 1; C. S., s. 3294; 1943, c. 159, s. 1; c. 471, s. 1; 1945, c. 6, s. 1; 1955, c. 658, s. 1; 1957, c. 1084, s. 1; 1967, c. 949.)

**Editor's Note. —**

The 1967 amendment added the words within the second set of parentheses in the form.

**§ 47-2.2. Notary public of sister state; lack of seal or stamp or expiration date of commission. —** If the proof or acknowledgment of any instrument is had before a notary public of any state other than North Carolina and the instrument does not show the seal or stamp of the notary public and the expiration date of the commission of the notary public, the certificate of proof or acknowledgment made by such notary public shall be accompanied by the certificate of the county official before whom the notary qualifies for office, stating that such notary public was at the time his certificate bears date an acting notary public of such state, and that such notary's genuine signature is set to his certificate. The certificate of the official herein provided for shall be under his hand and official seal. (1973, c. 1016.)

**§ 47-4:** Repealed by Session Laws 1971, c. 1185, s. 10, effective October 1, 1971.

**§ 47-5. When seal of officer necessary to probate. —** When proof or acknowledgment of the execution of any instrument by any maker of such instrument, whether a married woman or other person or corporation, is had before any official authorized by law to take such proof and acknowledgment, and such official has an official seal, he shall set his official seal to his certificate. If the official before whom the instrument is proved or acknowledged has no official seal he shall certify under his hand, and his private seal shall not be essential. When the instrument is proved or acknowledged before the register of deeds of the county in which the instrument is to be registered, the official seal shall not be necessary. (1899, c. 235, s. 8; Rev., s. 993; C. S., s. 3297; 1969, c. 664, s. 3.)

**Editor's Note. —** The 1969 amendment, effective July 1, 1969, substituted "register of deeds" for "clerk or deputy clerk of the superior court" in the last sentence.

**§ 47-7. Probate where clerk is a party. —** All instruments required or permitted by law to be registered to which clerks of the superior court are parties, or in which such clerks are interested, may be proved or acknowledged before any magistrate or notary public of the county of said clerk which clerk may then under his hand and official seal certify to the genuineness thereof. Such proofs and acknowledgments may also be taken before any justice or judge



of the General Court of Justice, and the instruments may be probated and ordered to be registered by such judge or justice, in like manner as is provided by law for probates by clerks of the superior court in other cases. Provided, that nothing contained herein shall prevent the clerk of the superior court who is a party to any instrument, or who is a stockholder or officer of any bank or other corporation which is a party to any instrument, from adjudicating and ordering such instruments for registration as have been acknowledged or proved before some magistrate or notary public. All probates, adjudications and orders of registration made prior to January 1, 1930, by any such clerk of conveyances or other papers in which said clerk is an interested party, or other papers by any corporation in which such clerk also is an officer or stockholder, are hereby validated and declared sufficient for all such purposes. (1891, c. 102; 1893, c. 3; Rev., s. 995; 1913, c. 148, s. 1; C. S., s. 3299; 1921, c. 92; c. 106, s. 2; 1939, c. 210, s. 1; 1945, c. 73, s. 10; 1969, c. 44, s. 53; 1971, c. 1185, s. 11; 1973, c. 1446, s. 11.)

**Editor's Note.** — The 1969 amendment substituted "justice or judge of the General Court of Justice" for "judge of the superior court or justice of the Supreme Court" in the second sentence.

The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice of the peace" in the first and third sentences.

The 1973 amendment deleted "and the acknowledgment of any married woman may be taken" following "acknowledged" near the middle of the first sentence.

## § 47-12. Proof of attested instrument by subscribing witness.

Cited in *Nelson v. Comer*, 21 N.C. App. 636, 205 S.E.2d 537 (1974).

**§ 47-14. Register of deeds to pass on certificate and register instruments; order by judge; instruments to which register of deeds is a party.** — (a) When the proof or acknowledgment of the execution of any instrument, required or permitted by law to be registered, is had before any other official than the register of deeds of the county in which the instrument is offered for registration, the register of deeds shall examine the certificate or certificates of proof or acknowledgment appearing upon the instrument, and if it appears on the face of the instrument that the execution thereof by one or more of the signers has been duly proved or acknowledged and the certificate or certificates to that effect are in due form, he shall so certify, and shall register the instrument, together with the certificates. No certification is required when the proof or acknowledgment is before the register of deeds of the county in which the instrument is offered for registration.

(b) If a register of deeds denies registration pursuant to subsection (a), the person offering the instrument for registration may present the instrument to a judge, as provided in subsection (c), and he shall examine the certificate or certificates of proof or acknowledgment appearing upon the instrument, and if it appears on the face of the instrument that the execution thereof by one or more of the signers has been duly proved or acknowledged and the certificates to that effect are in due form, he shall so adjudge, and shall order the instrument to be registered, together with the certificates, and the register of deeds shall register them accordingly.

(c) When a district court has been established in the district including the county in which the instrument is to be registered, application for an order for registration pursuant to subsection (b) shall be made to any judge of the district court in the district including the county in which the instrument is to be registered. Until a district court has been established, application for an order



for registration pursuant to subsection (b) may be made to a resident judge of superior court residing in the district including the county in which the instrument is to be registered, a judge regularly holding the superior courts of the district including the county in which the instrument is to be registered, any judge holding a session of superior court, either civil or criminal, in the district including the county in which the instrument is to be registered, or a special judge of superior court residing in the district including the county in which the instrument is to be registered.

(d) Registration of an instrument pursuant to this section is not effective with regard to parties who have not executed the instrument or whose execution thereof has not been duly proved or acknowledged.

(e) Any instrument required or permitted by law to be registered in which the register of deeds of the county of registration is a party may be proved or acknowledged before any magistrate or any notary public. Any such instrument presented for registration shall be examined by the clerk of superior court of the county of registration and if it appears that the execution and acknowledgment are in due form he shall so certify and the instrument shall then be recorded in the office of the register of deeds. (1899, c. 235, s. 7; 1905, c. 414; Rev., s. 999; C. S., s. 3305; 1921, c. 91; 1939, c. 210, s. 2; 1967, c. 639, s. 1; 1969, c. 664, s. 2; 1973, c. 60.)

**Editor's Note.** — The 1967 amendment, effective Oct. 1, 1967, rewrote this section.

The 1969 amendment, effective July 1, 1969, rewrote subsection (a).

The 1973 amendment, effective Oct. 1, 1973, added subsection (e).

**Opinions of Attorney General.** — Miss Frances H. Burwell, Stokes County Register of Deeds, 40 N.C.A.G. 611 (1969).

**To Be Probated, Instrument's Notarization Must Show Expiration Date of Notary's Commission.** — See opinion of Attorney General to Mr. Alex T. Wood, Register of Deeds, Franklin County, 41 N.C.A.G. 225 (1971).

## § 47-14.1. Repeal of laws requiring private examination of married women.

**Section Does Not Repeal § 52-6.** — This section, which formerly appeared as § 47-116,

does not repeal § 52-6. *Honeycutt v. Citizens Nat'l Bank*, 242 N.C. 734, 89 S.E.2d 598 (1955).

## ARTICLE 2.

### *Registration.*

**§ 47-17.1. Documents registered or ordered to be registered in certain counties to designate draftsman; exceptions.** — The register of deeds of the counties named below shall not accept for registration, nor shall any judge order registration pursuant to G.S. 47-14, of any papers or documents, with the exception of holographic wills, executed after July 1, 1953, unless there shall appear on the cover page of said papers or documents following the words "drawn by" the signature of the person who drafted said papers or documents, or unless in some other manner the cover page shall clearly designate the draftsman of such document: Provided that papers or documents prepared in other counties of North Carolina or in other states or counties for registration in any of said counties, or papers or documents prepared by any party to such papers or documents may be registered or ordered to be registered without such designation on the cover page of such papers or documents. This section shall apply to the following counties only: Alamance, Alexander, Carteret, Catawba, Chatham, Cherokee, Craven, Cumberland, Davidson, Duplin, Durham, Forsyth, Gaston, Gates, Graham, Jackson, Johnston, Lincoln, McDowell, Madison,



Mecklenburg, Montgomery, New Hanover, Orange, Pamlico, Pitt, Randolph, Rowan, Surry, Swain, Transylvania, Union, Wake, Watauga and Wilkes. (1953, c. 1160; 1955, cc. 54, 59, 87, 88, 264, 280, 410, 628, 655; 1957, cc. 431, 469, 932, 982, 1119, 1290; 1959, cc. 266, 312, 548, 589; 1961, cc. 789, 1167; 1965, cc. 160, 597, 830; 1967, cc. 42, 139; c. 639, s. 2; c. 658; 1969, c. 10; 1971, c. 46; 1973, cc. 65, 283, 342.)

**Editor's Note. —**

The first 1967 amendment made this section applicable to Carteret County, and the second 1967 amendment made it applicable to Craven County.

The third 1967 amendment, effective Oct. 1, 1967, substituted "The registers of deeds of the counties named below shall not accept for registration, nor shall any judge order registration pursuant to G.S. 47-14, of" for "The clerks of the superior courts of the counties named below shall not accept for probate or recordation" at the beginning of the section, and substituted "registration" for "probate or recordation" and "may be registered or ordered to be registered" for "may be accepted for probate or recordation" in the proviso to the first sentence.

The fourth 1967 amendment made this section applicable to Pamlico County.

The 1969 amendment made this section applicable to Pitt County.

The 1971 amendment deleted Perquimans from the list of counties to which this section applies.

The first 1973 amendment made this section applicable to Jackson County, and the second 1973 amendment made it applicable to Forsyth County. The third 1973 amendment deleted Buncombe from the list of counties to which this section applies.

Session Laws 1955, c. 273, referred to in the replacement volume, was amended by Session Laws 1967, c. 742.

**§ 47-18. Conveyances, contracts to convey and leases of land. —** (a) No (i) conveyance of land, or (ii) contract to convey, or (iii) option to convey, or (iv) lease of land for more than three years shall be valid to pass any property interest as against lien creditors or purchasers for a valuable consideration from the donor, bargainor or lessor but from the time of registration thereof in the county where the land lies, or if the land is located in more than one county, then in each county where any portion of the land lies to be effective as to the land in that county.  
(1975, c. 507.)

### I. IN GENERAL.

**Editor's Note. —** The 1975 amendment, effective Oct. 1, 1975, inserted the designations (i), (ii) and (iv) and "or (iii) option to convey," near the beginning of subsection (a) and inserted "interest" following "property" near the beginning of that subsection. The 1975 amendatory act provides that it shall not affect pending litigation.

As subsection (b) was not changed by the amendment, it is not set out.

For article concerning the quest for clear land titles in North Carolina, see 44 N.C.L. Rev. 89 (1965). For case law survey as to recordation, see 44 N.C.L. Rev. 1032 (1966). For article "Transferring North Carolina Real Estate Part I: How the Present System Functions," see 49 N.C.L. Rev. 413 (1971).

**Subsection (a) refers expressly** to conveyances of land, to contracts to convey land, and to leases of land for more than three years. *Lawing v. Jaynes*, 285 N.C. 418, 206 S.E.2d 162 (1974).

### Registration of Option to Purchase Land. —

Under subsection (a) of this section as it stood before the 1975 amendment, registration of an option to purchase land was not essential to its validity as against lien creditors or purchasers for a valuable consideration from the optionor. *Lawing v. Jaynes*, 285 N.C. 418, 206 S.E.2d 162 (1974).

**Public Record of Deed Recordation Raises Rebuttable Presumption. —** When a deed is duly recorded as required by law, the public record thereof is admissible in evidence and raises a rebuttable presumption that the original was duly executed and delivered. *Williams v. North Carolina State Bd. of Educ.*, 284 N.C. 588, 201 S.E.2d 889 (1974).

**Applied in** *Henry v. Shore*, 18 N.C. App. 463, 197 S.E.2d 270 (1973).

**Cited in** *Jenkins v. Coombs*, 21 N.C. App. 683, 205 S.E.2d 728 (1974).

### III. WHAT INSTRUMENTS AFFECTED.

**An unexecuted verbal agreement, made by a mortgagee for a valuable consideration, to**



release a real estate mortgage does not come within the statute of frauds, and it logically follows, if such an agreement is not required to be in writing to be enforceable as between the parties, certainly it is not required to be recorded to be enforceable as between the parties. *Nye v. University Dev. Co.*, 10 N.C. App. 676, 179 S.E.2d 795 (1971).

A tobacco acreage allotment is not within the purview of this section. *Hart v. Hassell*, 250 F. Supp. 893 (E.D.N.C. 1966).

#### IV. RIGHTS OF PERSONS PROTECTED.

This section protects purchasers for value, etc. —

Under subsection (a), conveyances, contracts to convey, and leases for more than three years are not valid to pass title against a purchaser for a valuable consideration unless and until registered in the county where the land lies. *Lawing v. Jaynes*, 285 N.C. 418, 206 S.E.2d 162 (1974).

#### V. NOTICE.

No Notice, etc. —

In accord with 1st paragraph in original. See *Lawing v. Jaynes*, 285 N.C. 418, 206 S.E.2d 162 (1974).

#### § 47-18.1. Registration of certificate of corporate merger or consolidation.

— (a) If title to real property in this State is transferred by operation of law upon the merger or consolidation of two or more corporations, such transfer is effective against lien creditors or purchasers for a valuable consideration from the corporation formerly owning the property, only from the time of registration of a certificate thereof as provided in this section, in the county where the land lies, or if the land is located in more than one county, then in each county where any portion of the land lies to be effective as to the land in that county.

(b) The Secretary of State shall adopt uniform certificates of merger or consolidation, to be furnished for registration, and shall adopt such fees as are necessary for the expense of such certification.

(c) A certificate of the Secretary of State prepared in accordance with this section shall be registered by the register of deeds in the same manner as deeds, and for the same fees, but no formalities as to acknowledgment, probate, or approval by any other officer shall be required. The name of the corporation formerly owning the property shall appear in the "Grantor" index, and the name of the corporation owning the property by virtue of the merger or consolidation shall appear in the "Grantee" index. (1967, c. 950, s. 3.)

**Editor's Note.** — The act inserting this section is effective on and after Oct. 1, 1967.

**§ 47-20. Deeds of trust, mortgages and conditional sales contracts; effect of registration.** — No deed of trust or mortgage of real or personal property, or of a leasehold interest or other chattel real, or conditional sales contract of personal property in which the title is retained by the vendor, shall be valid to pass any property as against lien creditors or purchasers for a valuable consideration from the grantor, mortgagor or conditional sales vendee, but from the time of registration thereof as provided in this article; provided however that

An unrecorded contract to convey land is not valid as against a subsequent purchaser for value, or those holding under such a purchaser, even though he acquired title with actual notice of the contract. *Beasley v. Wilson*, 267 N.C. 95, 147 S.E.2d 577 (1966).

**Record of Nonrecordable Instrument, etc. —**

The registration of a deed or other instrument not entitled or required to be recorded is not constructive notice to subsequent purchasers. *Lawing v. Jaynes*, 285 N.C. 418, 206 S.E.2d 162 (1974).

Registration is constructive notice as to all instruments authorized to be registered, but is not constructive notice of provisions not coming within the registration laws, even though embodied in an instrument required to be recorded. *Lawing v. Jaynes*, 285 N.C. 418, 206 S.E.2d 162 (1974).

**Option Agreement.** — Under this section as it stood before the 1975 amendment, an option agreement did not constitute constructive notice to defendants that plaintiffs had exercised their option and had instituted an action to compel specific performance. *Lawing v. Jaynes*, 285 N.C. 418, 206 S.E.2d 162 (1974).



any transaction subject to the provisions of the Uniform Commercial Code (Chapter 25 of the General Statutes) is controlled by the provisions of that act and not by this section. (1829, c. 20; R. C., c. 37, s. 22; Code, s. 1254; Rev., s. 982; 1909, c. 874, s. 1; C. S., s. 3311; 1953, c. 1190, s. 1; 1959, c. 1026, s. 2; 1965, c. 700, s. 8; 1967, c. 562, s. 5.)

#### I. IN GENERAL.

##### Editor's Note. —

The 1967 amendment, effective at midnight June 30, 1967, substituted the proviso at the end of the section for the phrase "unless subject to the filing requirements of article 9 of the Uniform Commercial Code (chapter 25 of the General Statutes) and duly filed pursuant thereto." See Editor's note to § 25-1-201.

For article "Transferring North Carolina Real Estate Part I: How the Present System Functions," see 49 N.C.L. Rev. 413 (1971).

#### IV. RIGHTS OF PERSONS PROTECTED.

##### Trustee in Bankruptcy. —

A trustee in bankruptcy stands in the shoes of a "purchaser for a valuable consideration," from the period of four months prior to the time of the filing of the petition in bankruptcy. In the Matter of Dail, 257 F. Supp. 326 (E.D.N.C. 1966).

#### VI. PLACE OF REGISTRATION.

The requirements of this section have no application to personal property in transit through or temporarily within North Carolina.

### § 47-20.2. Place of registration; personal property.

#### Mortgage or Other Lien on Vehicles Required to Be Registered under State Law. —

It is no longer necessary to record the mortgage or other lien on vehicles required to be registered under the State motor vehicle laws in the county where the debtor resides. Ferguson v. Morgan, 282 N.C. 83, 191 S.E.2d 817 (1972).

#### U.C.C. Provisions as to Filing Financing Statements Not Applicable to Such Vehicles.

— Provisions of the Uniform Commercial Code

National Bank v. Sprinkle, 3 N.C. App. 242, 164 S.E.2d 611 (1968).

Hence, the lien of a mortgage or conditional sale contract validly executed and legally registered according to the laws of the state wherein the property was and the mortgagor resided, will be recognized and enforced in this State against the claims of attaching creditors when the presence of such property in this State is of such a temporary or transient nature that it has not come to rest in the State so as to acquire a situs here. National Bank v. Sprinkle, 3 N.C. App. 242, 164 S.E.2d 611 (1968).

#### Property Embraced in Instruments Effective in Another State. —

The legislature, in enacting this section, made no exception in favor of a conditional sale contract or chattel mortgage executed and effective in another state where the property embraced in such instrument is subsequently brought into this State. National Bank v. Sprinkle, 3 N.C. App. 242, 164 S.E.2d 611 (1968).

with reference to the place for filing financing statements have no application to vehicles subject to registration with the Department of Motor Vehicles. Ferguson v. Morgan, 282 N.C. 83, 191 S.E.2d 817 (1972).

Applied in In the Matter of Dail, 257 F. Supp. 326 (E.D.N.C. 1966).

### § 47-20.5. Real property; effectiveness of after-acquired property clause.

— (a) As used in this section, "after-acquired property clause" means any provision or provisions in an instrument which create a security interest in real property acquired by the grantor of the instrument subsequent to its execution.

(b) As used in this section, "after-acquired property," and "property subsequently acquired" mean any real property which the grantor of a security instrument containing an after-acquired property clause acquires subsequent to the execution of such instrument, and in which the terms of the after-acquired property clause would create a security interest.

(c) An after-acquired property clause is effective to pass after-acquired property as between the parties to the instrument containing such clause, but shall not be effective to pass title to after-acquired property as against lien creditors or purchasers for a valuable consideration from the grantor of the instrument unless and until such instrument has been reregistered at or subsequent to the time such after-acquired property is acquired by such grantor.



(d) In lieu of reregistering the instrument containing the after-acquired property clause as specified in subsection (c), such instrument may be made effective to pass title to after-acquired property as against lien creditors and purchasers for a valuable consideration from the grantor of the instrument by registering a notice of extension as specified in subsection (e) at or subsequent to the time of acquisition of the after-acquired property by the grantor.

(e) The notice of extension shall

- (1) Show that effective registration of the after-acquired property clause is extended,
- (2) Include the names of the parties to the instrument containing the after-acquired property clause,
- (3) Refer to the book and page where the instrument containing the after-acquired property clause is registered, and
- (4) Be signed by the grantee or the person secured by the instrument containing the after-acquired property clause or his successor in interest.

(f) The register of deeds shall index the notice of extension in the same manner as the instrument containing the after-acquired property clause.

(g) Except as provided in subsection (h) of this section, no instrument which has been heretofore executed or registered and which contains an after-acquired property clause shall be effective to pass title to after-acquired property as against lien creditors or purchasers for a valuable consideration from the grantor of such instrument unless and until such instrument or a notice of extension thereof has been registered or reregistered as herein provided.

(h) Notwithstanding the provisions of this section with respect to registration, reregistration and registration of notice of extension, an after-acquired property clause in an instrument which creates a security interest made by a public utility as defined in G.S. 62-3 (23) or a natural gas company as defined in section 2(6) of the Natural Gas Act, 15 U.S.C.A. 717a (6), or by an electric or telephone membership corporation incorporated or domesticated in North Carolina shall be effective to pass after-acquired property as against lien creditors or purchasers for a valuable consideration from the grantor of the instrument from the time of original registration of such instrument. (1967, c. 861, s. 1; 1969, c. 813, ss. 1-3.)

**Editor's Note.** — In Session Laws 1967 this section was numbered 47-20.1. Since this chapter in the replacement volume already contained sections numbered 47-20.1 through 47-20.4, the section added by Session Laws 1967 has been renumbered 47-20.5 herein.

Section 3, c. 861, Session Laws 1967, provides that the act shall become effective at midnight on June 30, 1967, and shall apply to all instruments registered after that date.

The 1969 amendment, effective after midnight on Sept. 30, 1969, and applicable to all instruments registered after that date, rewrote subsections (c) and (d) and added subsections (g) and (h). Session Laws 1969, c. 813, s. 4, provides: "This act shall not affect any case the litigation of which is pending upon its effective date."

For note on the effectiveness of after-acquired property clauses in N.C., see 6 Wake Forest Intra. L. Rev. 378 (1970).

**§ 47-21. Blank or master forms of mortgages, etc.; embodiment by reference in instruments later filed.** — It shall be lawful for any person, firm or corporation to have a blank or master form of mortgage, deed of trust, or other instrument conveying an interest in, or creating a lien on, real and/or personal property, filed, indexed and recorded in the office of the register of deeds. When any such blank or master form is filed with the register of deeds, he shall record the same, and shall index the same in the manner now provided by law for the indexing of instruments recorded in his office, except that the name of the person, firm or corporation whose name appears on such blank or master form shall be inserted in the indices as grantor and also as grantee. The



fee for filing, recording and indexing such blank or master form shall be five (\$5.00) dollars.

When any deed, mortgage, deed of trust, or other instrument conveying an interest in, or creating a lien on, real and/or personal property, refers to the provisions, terms, covenants, conditions, obligations, or powers set forth in any such blank or master form recorded as herein authorized, and states the office of recordation of such blank or master form, book and page where same is recorded such reference shall be equivalent to setting forth in extenso in such deed, mortgage, deed of trust, or other instrument conveying an interest in, or creating a lien on, real and/or personal property, the provisions, terms, covenants, conditions, obligations and powers set forth in such blank or master form. Provided this section shall not apply to Alleghany, Ashe, Avery, Beaufort, Bladen, Camden, Carteret, Chowan, Cleveland, Columbus, Dare, Gates, Granville, Guilford, Halifax, Iredell, Jackson, Martin, Moore, Perquimans, Sampson, Stanly, Swain, Transylvania, Vance, Washington and Watauga Counties. (1935, c. 153; 1971, c. 156.)

**Editor's Note. —**

The 1971 amendment deleted "Orange" following "Moore" in the last sentence.

For article on rules, ethics and reform in connection with transferring North Carolina real estate, see 49 N.C.L. Rev. 593 (1971).

**§ 47-22. Counties may provide for photographic or photostatic registration. —** The board of county commissioners of any county is hereby authorized and empowered to provide for photographic or photostatic recording of all instruments filed in the office of the register of deeds and in other offices of such county where said board may deem such recording feasible. The board of county commissioners may also provide for filing such copies of said instruments in loose-leaf binders. (1941, c. 286; 1971, c. 1185, s. 12.)

**Editor's Note. —**

The 1971 amendment, effective Oct. 1, 1971, deleted "and in the office of the clerk of the

superior court" following "register of deeds" in the first sentence.

**§ 47-26. Deeds of gift.**

A recital of consideration in deeds conveying land is presumed to be correct.

*Pelaez v. Pelaez*, 16 N.C. App. 604, 192 S.E.2d 651 (1972).

**§ 47-27. Deeds of easements. —** All persons, firms, or corporations now owning or hereafter acquiring any deed or agreement for rights-of-way and easements of any character whatsoever shall record such deeds and agreements in the office of the register of deeds of the county where the land affected is situated. Where such deeds and agreements may have been acquired, but no use has been made thereof, the person, firm, or corporation holding such instrument, or any assignment thereof, shall not be required to record them until within 90 days after the beginning of the use of the easements granted thereby. If after 90 days from the beginning of the easement granted by such deeds and agreements the person, firm, or corporation holding such deeds or agreements has not recorded the same in the office of the register of deeds of the county where the land affected is situated, then the grantor in the said deed or agreement may, after 10 days' notice in writing served and returned by the sheriff or other officer of the county upon the said person, firm, or corporation holding such lease or agreement, file a copy of the said lease or agreement for registration in the office of the register of deeds of the county where the original should have been recorded, but such copy of the lease or agreement shall have



attached thereto the written notice above referred to, showing the service and return of the sheriff or other officer. The registration of such copy shall have the same force and effect as the original would have had if recorded: Provided, said copy shall be duly probated before being registered.

Nothing in this section shall require the registration of the following classes of instruments or conveyances, to wit:

- (1) It shall not apply to any deed or instrument executed prior to January 1, 1910.
- (2) It shall not apply to any deed or instrument so defectively executed or witnessed that it cannot by law be admitted to probate or registration, provided that such deed or instrument was executed prior to the ratification of this section.
- (3) It shall not apply to decrees of a competent court awarding condemnation or confirming reports of commissioners, when such decrees are on record in such courts.
- (4) It shall not apply to local telephone companies, operating exclusively within the State, or to agreements about alleyways.

The failure of electric companies or power companies operating exclusively within this State or electric membership corporations, organized pursuant to Chapter 291 of the Public Laws of 1935 [G.S. 117-6 to 117-27], to record any deeds or agreements for rights-of-way acquired subsequent to 1935, shall not constitute any violation of any criminal law of the State of North Carolina.

No deed, agreement for right-of-way, or easement of any character shall be valid as against any creditor or purchaser for a valuable consideration but from the registration thereof within the county where the land affected thereby lies.

From and after July 1, 1959, the provisions of this section shall apply to require the Board of Transportation to record as herein provided any deeds of easement, or any other agreements granting or conveying an interest in land which are executed on or after July 1, 1959, in the same manner and to the same extent that individuals, firms or corporations are required to record such easements. (1917, c. 148; 1919, c. 107; C. S., s. 3316; 1943, c. 750; 1959, c. 1244; 1973, c. 507, s. 5.)

**Editor's Note.** — The 1973 amendment, effective July 1, 1973, substituted "Board of Transportation" for "State Highway Commission" in the last paragraph.

**This section is expressly applicable to the Highway Commission.** North Carolina State Highway Comm'n v. Nuckles, 271 N.C. 1, 155 S.E.2d 772 (1967).

**Deeds of Easements Invalid Prior to Recordation.** — This section makes deeds and conveyances of easements and rights-of-way invalid as to creditors and purchasers for value prior to recordation. North Carolina State Highway Comm'n v. Nuckles, 271 N.C. 1, 155 S.E.2d 772 (1967).

**Facts Constituting Notice.** — If the facts disclosed in an instrument appearing in a purchaser's chain of title would naturally lead an honest and prudent person to make inquiry concerning the rights of others, these facts constituted notice of everything which such inquiry, pursued in good faith and with reasonable diligence, would have disclosed. North Carolina State Highway Comm'n v. Wortman, 4 N.C. App. 546, 167 S.E.2d 462 (1969).

**Map or Plat as Part of Deed.** — A map or plat referred to in a deed becomes a part of the deed and need not be registered. North Carolina State Highway Comm'n v. Wortman, 4 N.C. App. 546, 167 S.E.2d 462 (1969).

## § 47-30. Plats and subdivisions; mapping requirements.

(b) **Maps to Be Reproducible.** — Each map presented for recording shall be a reproducible map in cloth, linen, film or other permanent material and submitted in this form. Recorded maps shall be maintained in map files, unless the filing officer makes a permanent master copy thereof by a process from which a direct copy can be made, in which event the original map may be returned to the person offering it for recordation after it has been properly recorded and indexed. A direct or photographic copy of each recorded map shall



be placed in the map book maintained for that purpose and properly indexed for use. All filing officers are authorized to make permanent master copies of maps that have been recorded and filed before July 1, 1971, and may return the originals to the person offering them for recordation.

(f) Map to Contain Specific Information. — Every map shall contain the following specific information:

- (1) An accurately positioned north arrow coordinated with any bearings shown on the map. Indication shall be made as to whether the north index is true, magnetic or grid.
- (2) The azimuth or courses and distances as surveyed of every line shall be shown including offset lines where actually used in the field. Distances shall be in feet and decimals thereof; other units of measure may be placed in parentheses if desired.
- (3) All map lines shall be by horizontal (level) measurements. All information shown on the map shall be correctly plotted to the scale shown. Enlargement of portions of a map are acceptable in the interest of clarity, where shown as inserts on the same sheet.
- (4) Where a boundary is formed by a curved line, the following data must be given: actual survey data from the point of curvature of the curve to the point of tangent shall be shown as standard curve data, or as a traverse of chords around the curve.
- (5) Where a subdivision of land is set out on the map, all streets and lots shall be carefully plotted with dimension lines indicating widths and all other pertinent information necessary to reestablish in the field.
- (6) Where control corners have been established in compliance with G.S. 39-32.1, 39-32.2, 39-32.3 and 39-32.4, as amended, the location and pertinent information as required in the reference statute shall be plotted on the map. All other corners which are marked by monument or natural object shall be so identified on all maps, and all corners of adjacent owners in the boundary lines of the subject tract which are marked by monument or natural object must be shown with a distance from one or more of the subject tract's corners.
- (7) The names of adjacent landowners and lot block and subdivision designations shall be shown where they have been determined and verified by the surveyor.
- (8) All visible and apparent rights-of-way, watercourses, utilities, roadways, and other such improvements shall be accurately located where crossing or forming any boundary line of the property shown, and locating, offset or traverse lines shall be plotted in broken lines with azimuths or courses and distances shown on the map.
- (9) Where the map is the result of a survey, one or more corners shall, by a system of azimuths or courses and distances, be accurately tied to a monument of some United States or State Agency Survey System, such as the United States Coast and Geodetic Survey Systems, where such monument is within 2,000 feet of said corner. Where the North Carolina Grid System coordinates of said monument have been published by the North Carolina Department of Natural and Economic Resources, the coordinates of the referenced corner shall be computed and shown in X and Y ordinates on the map. Where such a monument is not available, the tie shall be made to some pertinent and permanent recognizable landmark or identifiable point.

(k) The provisions of this section shall not apply to the following counties: Alexander, Alleghany, Anson, Ashe, Beaufort, Brunswick, Camden, Caswell, Cherokee, Clay, Franklin, Granville, Greene, Hertford, Hoke, Hyde, Jackson, Jones, Lee, Lenoir, Lincoln, McDowell, Martin, Mitchell, Northampton, Pamlico,



Pasquotank, Pender, Perquimans, Person, Pitt, Richmond, Robeson, Sampson, Scotland, Surry, Swain, Tyrrell, Vance, Warren, Washington and Yadkin.

(l) The provisions of this section shall not apply to the registration of highway right-of-way plans provided for in G.S. 136-19.4. (1911, c. 55, s. 2; C. S., s. 3318; 1923, c. 105; 1935, c. 219; 1941, c. 249; 1953, c. 47, s. 1; 1959, c. 1235, ss. 1, 3A, 3.1; 1961, cc. 7, 111, 164, 199, 252, 660, 687, 932, 1122; 1963, c. 71, ss. 1, 2; cc. 180, 236; c. 361, s. 1; c. 403; 1965, c. 139, s. 1; 1967, c. 228, s. 2; c. 394; 1971, c. 658; 1973, cc. 76, 848, 1171; c. 1262, s. 86; 1975, c. 192; c. 200, s. 1.)

**Local Modification.** — Avery: 1973, c. 1050, ss. 1, 2.

**Editor's Note.** —

The first 1967 amendment, effective July 1, 1967, added subsection (l).

The second 1967 amendment inserted "McDowell" in subsection (k).

The 1971 amendment rewrote subsection (b).

The first 1973 amendment, effective Oct. 1, 1973, deleted "Rockingham" in subsection (k).

The second 1973 amendment, effective July 1, 1974, deleted "Union" and the third 1973 amendment deleted "Madison" in subsection (k).

The fourth 1973 amendment, effective July 1, 1974, substituted "Department of Natural and Economic Resources" for "North Carolina Department of Conservation and Development" in subdivision (9) of subsection (f).

The first 1975 amendment, effective July 1, 1975, deleted "Harnett," and the second 1975 amendment, effective July 1, 1975, deleted "Watauga," in subsection (k).

Session Laws 1975, c. 200, s. 2, provides: "It is the intent of this act that the provisions of G.S. 47-30 shall apply to Watauga County."

As the rest of the section was not changed by the amendments, only subsections (b), (f), (k) and (l) are set out.

**In order for a map to constitute notice to the town of a proposed subdivision**, recordation in the office of the register of deeds is required and that office is the proper place for such recordation. *Williams v. Town of Grifton*, 19 N.C. App. 462, 199 S.E.2d 288 (1973).

**No Notice Will Take Place of Registration in Proper Public Office.** — Ordinarily a person may rely on the public records and no notice, regardless of how full and formal, will take the place of registration in the proper public office. *Williams v. Town of Grifton*, 19 N.C. App. 462, 199 S.E.2d 288 (1973).

### § 47-30.1. Plats and subdivisions; alternative requirements.

**Local Modification.** — Avery: 1973, c. 1050.

Cited in *Williams v. Town of Grifton*, 19 N.C. App. 462, 199 S.E.2d 288 (1973).

**§ 47-32. Photographic copies of plats, etc.** — After January 1, 1960, in all special proceedings in which a map shall be filed as a part of the papers, such map shall meet the specifications required for recording of maps in the office of the register of deeds, and the clerk of superior court may certify a copy thereof to the register of deeds of the county in which said lands lie for recording in the Map Book provided for that purpose; and the clerk of superior court may have a photographic copy of said map made on a sheet of the same size as the leaves in the book in which the special proceeding is recorded, and when made, may place said photographic copy in said book at the end of the report of the commissioner or other document referring to said map.

The provisions of this section shall not apply to the following counties: Alexander, Alleghany, Ashe, Beaufort, Brunswick, Camden, Caswell, Cherokee, Clay, Franklin, Granville, Greene, Harnett, Hertford, Hoke, Hyde, Jackson, Jones, Lee, Lenoir, Lincoln, Madison, Martin, Northampton, Pamlico, Pasquotank, Pender, Person, Pitt, Richmond, Robeson, Rockingham, Sampson, Scotland, Surry, Swain, Tyrrell, Vance, Warren, Washington, Watauga and Yadkin. (1931, c. 171; 1959, c. 1235, ss. 2, 3A, 3.1; 1961, cc. 7, 111, 164, 252, 697, 932, 1122; 1963, c. 71, s. 3; c. 236; c. 361, s. 2; 1965, c. 139, s. 2; 1971, c. 1185, s. 13.)



**Editor's Note. —**

The 1971 amendment, effective Oct. 1, 1971, deleted a former last sentence in the first paragraph.

**§ 47-32.1. Photostatic copies of plats, etc.; alternative provisions. —** In a county to which the provisions of G.S. 47-32 do not apply, the following alternative provisions shall govern photostatic copies of plats filed in special proceedings:

In all special proceedings in which a plat, map or blueprint shall be filed as a part of the papers, the clerk of the superior court may have a photostatic copy of said plat, map or blueprint made on a sheet of the same size as the leaves in the book in which the special proceeding is recorded, and when made, shall place said photostatic copy in said book at the end of the report of the commissioners or other document referring to said plat, map or blueprint. (1961, c. 535, s. 1; 1971, c. 1185, s. 14.)

**Editor's Note. —**

The 1971 amendment, effective Oct. 1, 1971, deleted a former last sentence in the second paragraph.

## ARTICLE 3.

*Forms of Acknowledgment, Probate and Order of Registration.*

**§ 47-37. Certificate and adjudication of registration. —** (a) The form of certification for registration by the register of deeds pursuant to § 47-14 (a) shall be substantially as follows:

North Carolina, . . . . . County.

The foregoing (or annexed) certificate of (here give name and official title of the officer signing the certificate passed upon) is certified to be correct.

This . . . . . day of . . . . ., A.D. . . . .

. . . . . Signature. . . . .

Register of Deeds

(b) The form of adjudication and order of registration by a judge pursuant to § 47-14 (b) and (c) shall be substantially as follows:

North Carolina, . . . . . County.

The foregoing (or annexed) certificate of (here give name and official title of the officer signing the certificate passed upon) is adjudged to be correct. Let the instrument and the certificate be registered.

This . . . . . day of . . . . ., A.D. . . . .

. . . . . (Signature of Judge)

(1899, c. 235, s. 7; 1905, c. 344; Rev., ss. 1001, 1010; C. S., s. 3322; 1967, c. 639, s. 3.)

**Editor's Note. —** The 1967 amendment, effective Oct. 1, 1967, rewrote this section.

**§ 47-39. Form of acknowledgment of conveyances and contracts between husband and wife. —** When an instrument or contract purports to be signed by a married woman and such instrument or contract comes within the provisions of G.S. 52-6, the form of certificate of her acknowledgment before any officer authorized to take the same shall be in substance as follows:

North Carolina, . . . . . County.



I (here give name of the official and his official title), do hereby certify that (here give name of the married woman who executed the instrument), wife of (here give husband's name), personally appeared before me this day and acknowledged the due execution of the foregoing (or annexed) instrument; and the said (here give married woman's name), being by me privately examined, separate and apart from her said husband, touching her voluntary execution of the same, does state that she signed the same freely and voluntarily, without fear or compulsion of her said husband or any other person, and that she does still voluntarily assent thereto.

And I do further certify that it has been made to appear to my satisfaction, and I do find as a fact, that the same is not unreasonable or injurious to her.

Witness my hand and (when an official seal is required by law) official seal, this ..... (day of month), A. D. .... (year).  
(Official seal)

.....  
(Signature of officer.)

(1899, c. 235, s. 8; 1901, c. 637; Rev., s. 1003; C. S., s. 3324; 1945, c. 73, s. 14; 1957, c. 1229, s. 2; 1967, c. 24, s. 26.)

**Editor's Note.** — The 1967 amendment, originally effective Oct. 1, 1967, substituted "52-6" for "52-12" in the opening paragraph. Session Laws 1967, c. 1078, amends the 1967 amendatory act so as to make it effective July 1, 1967.

**When Wife's Deed Void.** — The deed of a wife, conveying land to her husband, is void unless the probating officer in his certificate of

probate certifies that, at the time of its execution and her privy examination, the deed is not unreasonable or injurious to her. *Trammell v. Trammell*, 2 N.C. App. 166, 162 S.E.2d 605 (1968).

**Applied** in *Mitchell v. Mitchell*, 270 N.C. 253, 154 S.E.2d 71 (1967); *In re Brackett*, 15 N.C. App. 601, 190 S.E.2d 302 (1972).

**§ 47-41. Corporate conveyances.** — The following forms of probate for deeds and other conveyances executed by a corporation shall be deemed sufficient, but shall not exclude other forms of probate which would be deemed sufficient in law. If the deed or other instrument is executed by the president, any vice-president, assistant vice-president, manager, comptroller, treasurer, assistant treasurer, trust officer or assistant trust officer, or chairman or vice-chairman of such corporation signing the name of such corporation by him as such officer, is sealed with its common or corporate seal, and is attested by its secretary or assistant secretary, trust officer, assistant trust officer, associate trust officer, or, in case of a bank, by its secretary, assistant secretary, cashier or assistant cashier, the following form of acknowledgment is sufficient:

.....  
(State and county, or other description of place where acknowledgment is taken)

I, .....,  
(Name of officer taking acknowledgment) (Official title of officer taking acknowledgment)

certify that ..... personally came before  
(Name of secretary, assistant secretary, cashier or assistant cashier)

me this day and acknowledged that he (or she) is .....  
(Secretary, assistant secretary, cashier or assistant cashier)

of ....., a corporation, and that by authority duly given  
(Name of corporation)

and as the act of the corporation, the foregoing instrument was signed in its name by its ....., sealed with its corporate seal, and  
(President or vice-president)



attested by himself (or herself) as its .....  
(Secretary, assistant secretary,  
cashier or assistant cashier)

My commission expires .....  
(Date of expiration of commission as notary public)

Witness my hand and official seal, this the ..... day of .....  
(Month)

.....  
(Year)

.....  
(Signature of officer taking acknowledgment)

(Official seal, if officer taking  
acknowledgment has one)

- (1) The words "a corporation" following the blank for the name of the corporation may be omitted when the name of the corporation ends with the word "Corporation" or "Incorporated."
- (2) The words "My commission expires" and the date of expiration of the notary public's commission may be omitted except when a notary public is the officer taking the acknowledgment.
- (3) The words "and official seal" and the seal itself may be omitted when the officer taking the acknowledgment has no seal or when such officer is the clerk, assistant clerk or deputy clerk of the superior court of the county in which the deed or other instrument acknowledged is to be registered.

If the instrument is executed by the president or presiding member or trustee and two other members of the corporation, and sealed with the common seal, the following form shall be sufficient:

North Carolina, ..... County.

This ..... day of ....., A.D. ...., personally came before me (here give the name and official title of the officer who signs this certificate) A. B. (here give the name of the subscribing witness), who, being by me duly sworn, says that he knows the common seal of the (here give the name of the corporation), and is also acquainted with C. D., who is the president (or presiding member or trustee), and also with E. F. and G. H., two other members of said corporation; and that he, the said A. B., saw the said president (or presiding member or trustee) and the two said other members sign the said instrument, and saw the said president (or presiding member or trustee) affix the said common seal of said corporation thereto, and that he, the said subscribing witness, signed his name as such subscribing witness thereto in their presence. Witness my hand and (when an official seal is required by law) official seal, this .... day of ..... (year).

(Official seal.)

.....  
(Signature of officer.)

If the deed or other instrument is executed by the president, presiding member or trustee of the corporation, and sealed with its common seal, and attested by its secretary or assistant secretary, either of the following forms of proof and certificate thereof shall be deemed sufficient:

North Carolina, ..... County.

This ..... day of ....., A. D. ...., personally came before me (here give name and official title of the officer who signs the certificate) A. B. (here give the name of the attesting secretary or assistant secretary), who, being by me duly sworn, says that he knows the common seal of (here give the name of the corporation), and is acquainted with C. D., who is the president of said corporation, and that he, the said A. B., is the secretary (or assistant secretary) of the said corporation, and saw the said president sign the foregoing (or annexed) instrument, and saw the said common seal of said corporation affixed



to said instrument by said president (or that he, the said A. B., secretary or assistant secretary as aforesaid, affixed said seal to said instrument), and that he, the said A. B., signed his name in attestation of the execution of said instrument in the presence of said president of said corporation. Witness my hand and (when an official seal is required by law) official seal, this the . . . . . day of . . . . . (year).  
(Official seal.)

. . . . .  
(Signature of officer.)  
North Carolina, . . . . . County.

This is to certify that on the . . . . . day of . . . . ., 19 . . . . , before me personally came . . . . . (president, vice-president, secretary or assistant secretary, as the case may be), with whom I am personally acquainted, who, being by me duly sworn, says that . . . . . is the president (or vice-president), and . . . . . is the secretary (or assistant secretary) of the . . . . . , the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal, and the name of the corporation was subscribed thereto by the said president (or vice-president), and that said president (or vice-president) and secretary (or assistant secretary) subscribed their names thereto, and said common seal was affixed, all by order of the board of directors of said corporation, and that the said instrument is the act and deed of said corporation. Witness my hand and (when an official seal is required by law) official seal, this the . . . . . day of . . . . . (year).  
(Official seal.)

. . . . .  
(Signature of officer.)  
If the deed or other instrument is executed by the signature of the president, vice-president, presiding member or trustee of the corporation, and sealed with its common seal and attested by its secretary or assistant secretary, the following form of proof and certificate thereof shall be deemed sufficient:

This . . . . . day of . . . . ., A. D. . . . . , personally came before me (here give name and official title of officer who signs the certificate) A. B., who, being by me duly sworn, says that he is president (vice-president, presiding member or trustee) of the . . . . . Company, and that the seal affixed to the foregoing (or annexed) instrument in writing is the corporate seal of said company, and that said writing was signed and sealed by him in behalf of said corporation by its authority duly given. And the said A. B. acknowledged the said writing to be the act and deed of said corporation.  
(Official seal.)

. . . . .  
(Signature of officer.)  
If the officer before whom the same is proven be the clerk or deputy clerk of the superior court of the county in which the instrument is offered for registration, he shall add to the foregoing certificate the following: "Let the instrument with the certificate be registered."

All corporate conveyances probated and recorded prior to February 14, 1939, wherein the same was attested by the assistant secretary, instead of the secretary, and otherwise regular, are hereby validated as if attested by the secretary of the corporation.

The following forms of probate for contracts in writing for the purchase of personal property by corporations providing for a lien on the property or the retention of a title thereto by the vendor as security for the purchase price or any part thereof, or chattel mortgages, chattel deeds of trust and conditional sales of personal property executed by a corporation shall be deemed sufficient



but shall not exclude other forms of probate which would be deemed sufficient in law:

North Carolina

..... County  
I, ....., do hereby certify that .....  
..... (name of president, secretary or treasurer)  
personally came before me this day and acknowledged that he is .....  
..... of ..... and acknowledged,  
(president, secretary or treasurer) (name of corporation)  
on behalf of ....., the grantor, the due  
(name of corporation)  
execution of the foregoing instrument.

Witness my hand and official seal, this ..... day of .....  
19.....  
(Official seal)

.....  
(Title of officer)  
.....  
(Name of state)  
.....  
(County)

I, .....  
(Name of officer taking proof) (Official title of officer taking proof)  
of ..... , ..... , certify that  
(County) (Name of state)  
..... personally appeared before  
(Name of subscribing witness)  
me, and being duly sworn, stated that in his presence .....  
(Name of president, secretary or treasurer of maker)  
(signed the foregoing instrument) (acknowledged the execution of the foregoing  
instrument.) (Strike out the words not applicable.)

WITNESS my hand and official seal, this ..... day of .....  
..... , 19.....  
(Month) (Year)  
.....  
(Signature of official taking proof)  
.....  
(Official title of official taking proof)  
My commission expires .....  
(Date of expiration of official's commission)

All deeds and other conveyances heretofore executed by any of the  
aforementioned corporate officers are hereby validated to the extent that such  
deeds or other conveyances were otherwise properly executed, probated, and  
recorded. (1899, c. 235, s. 17; 1901, c. 2, s. 110; 1905, c. 114; Rev., s. 1005; 1907,  
c. 927, s. 1; C. S., s. 3326; 1939, c. 20, ss. 1, 2; 1943, c. 172; 1947, c. 75, s. 1; 1949,  
c. 1224, s. 1; 1953, c. 1078, s. 4; 1955, c. 1345, s. 5; 1973, c. 1015; c. 1309, s. 2;  
1975, c. 19, ss. 15, 16.)

**Editor's Note. —**  
The first 1973 amendment rewrote the portion  
of the second sentence of this section that  
precedes the form of acknowledgment.  
The second 1973 amendment added the last  
paragraph of the section.  
Section 1 of the second 1973 amendatory act  
directed that s. 1 of the first 1973 amendatory  
act be amended by inserting the words  
“chairman or vice-chairman” after the words  
“assistant trust officer” and before the words  
“of such corporation” on line 10 of the ratified  
bill. The quoted words did not appear on line 10



of the ratified bill, and so no effect has been given to the attempted amendment in the section as set out above.

The 1975 amendment inserted "or chairman or vice-chairman" and substituted "form of acknowledgment" for "form or acknowledgment" in the second sentence preceding the first form of acknowledgment.

The next-to-last form in the section as set out above was inadvertently omitted in the replacement volume.

**A corporate seal is a necessary prerequisite to a valid conveyance** of real estate by a corporation. *Investors Corp. v. Field Financial Corp.*, 5 N.C. App. 156, 167 S.E.2d 852 (1969).

This section sets out the forms of probate for a deed and other conveyances executed by a

corporation and reveals the necessity of having a corporate seal. *Investors Corp. v. Field Financial Corp.*, 5 N.C. App. 156, 167 S.E.2d 852 (1969).

**What Does Not, etc. —**

In *Withrell v. Murphy*, 154 N.C. 82, 60 S.E. 748 (1910), where the corporate seal had been affixed to a deed of conveyance, but the acknowledgment by the corporate officers failed to acknowledge that the seal so affixed was the seal of the corporation, the Supreme Court held that this conveyance was, therefore, ineffectual as to the corporation's creditors. *Investors Corp. v. Field Financial Corp.*, 5 N.C. App. 156, 167 S.E.2d 852 (1969).

**§ 47-41.1. Corporate seal.** — All documents, including but not limited to deeds, deeds of trust, and mortgages, required or permitted by law to be executed by corporations, shall be legally valid and binding when a legible corporate stamp which is a facsimile of its seal is used in lieu of an imprinted or embossed corporate seal. (1971, c. 340, s. 1.)

**Editor's Note.** — Session Laws 1971, c. 340, s. 2, makes the act effective July 1, 1971. Session Laws 1971, c. 340, s. 3, provides that the act shall not apply to pending litigation.

**§ 47-43. Form of certificate of acknowledgment of instrument executed by attorney in fact.**

Cited in *In re Sale of Land of Warrick*, 1 N.C. App. 387, 161 S.E.2d 630 (1968).

**§ 47-44. Clerk's certificate upon probate by justice of peace or magistrate.** — When the proof or acknowledgment of any instrument is had before a justice of the peace of some other state or territory of the United States, or before a magistrate of this State, but of a county different from that in which the instrument is offered for registration, the form of certificate as to his official position and signature shall be substantially as follows:  
North Carolina . . . . . County.

I, A. B. (here give name and official title of a clerk of a court of record), do hereby certify that C. D. (here give the name of the justice of the peace or magistrate taking the proof, etc.), was at the time of signing the foregoing (or annexed) certificate an acting justice of the peace or magistrate in and for the county of . . . . . and State (or territory) of . . . . . and that his signature thereto is in his own proper handwriting.

In witness whereof, I hereunto set my hand and official seal, this . . . . . day of . . . . ., A. D. . . . .  
(Official seal.)

.....  
(Signature of officer.)

(1899, c. 235, s. 8; Rev., s. 1006; C. S., s. 3327; 1971, c. 1185, s. 15.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice of the peace" in the introductory language, and inserted "or magistrate" in two places in the first paragraph of the certificate form.



## ARTICLE 4.

*Curative Statutes; Acknowledgments; Probates; Registration.***§ 47-47. Defective order of registration; "same" for "this instrument".**

**Editor's Note.** — For article, "Toward Remedying the Defective Acknowledgment Greater Marketability of Land Titles — Syndrome," see 46 N.C.L. Rev. 56 (1967).

**§ 47-48. Clerks' and registers of deeds' certificate failing to pass on all prior certificates.** — When it appears that the clerk of the superior court, register of deeds, or other officer having the power to probate or certify deeds, in passing upon deeds or other instruments, and the certificates thereto, having more than one certificate of the same or a different date, by other officer or officers taking acknowledgment or probating the same, has in his certificate or order mentioned only one or more of the preceding or foregoing certificates or orders, but not all of them, but has admitted the same deed or other instrument to probate or recordation, it shall be conclusively presumed that all the certificates of said deed or instrument necessary to the admission of same to probate or recordation have been passed upon, and the certificate of said clerk, register of deeds, or other probating or certifying officer shall be deemed sufficient and the probate, certification and recordation of said deed or instrument is hereby made and declared valid for all intents and purposes. The provisions of this section shall apply to all instruments recorded in any county of this State prior to April 1, 1974. (1917, c. 237; C. S., s. 3330; 1945, c. 808, s. 1; 1965, c. 1001; 1971, c. 11; 1973, c. 1402.)

**Editor's Note.**—

The 1971 amendment rewrote the first sentence so as to make it applicable to registers of deeds as well as clerks and to certification and recordation, as well as probate, of deeds. The amendment also substituted "different" for "prior" preceding "date" in the first sentence and changed the date at the end of the second

sentence from January 1, 1964, to January 1, 1971. The amendatory act provides that it shall not affect pending litigation.

The 1973 amendment substituted "April 1, 1974" for "January 1, 1971" at the end of the second sentence.

The amendatory act provides that it shall not apply to pending litigation.

**§ 47-51. Official deeds omitting seals.** — All deeds executed prior to January 1, 1974, by any sheriff, commissioner, receiver, executor, executrix, administrator, administratrix, or other officer authorized to execute a deed by virtue of his office or appointment, in which the officer has omitted to affix his seal after his signature, shall not be invalid on account of the omission of such seal. (1907, c. 807; 1917, c. 69, s. 1; C. S., s. 3333; Ex. Sess. 1924, c. 64; 1941, c. 13; 1955, c. 467, ss. 1, 2; 1959, c. 408; 1971, c. 14; 1973, c. 1207, s. 1.)

**Editor's Note.** — The 1971 amendment substituted "February 1, 1971" for "April 1, 1959." The amendatory act provides that it shall not apply to pending litigation.

The 1973 amendment substituted "January 1, 1974" for "February 1, 1971." The amendatory act provides that it shall not apply to pending litigation.

**§ 47-53.1. Acknowledgment omitting seal of notary public.** — Where any person has taken an acknowledgment as a notary public and has failed to affix his seal and such acknowledgment has been otherwise duly probated and recorded then such acknowledgment is hereby declared to be sufficient and valid: Provided this shall apply only to those deeds and other instruments acknowledged prior to January 1, 1975. (1951, c. 1151, s. 1A; 1953, c. 1307; 1963, c. 412; 1975, c. 878.)



**Editor's Note. —**

The 1975 amendment substituted "January 1, 1975" for "January 1, 1963" at the end of the section.

**§ 47-63. Probates before officer of interested corporation. —** In all cases when acknowledgment or proof of any conveyance has been taken before a clerk of superior court, magistrate or notary public, who was at the time a stockholder or officer in any corporation, bank or other institution which was a party to such instrument, the certificates of such clerk, magistrate, or notary public shall be held valid, and are so declared. (Rev., s. 1015; 1907, c. 1003, s. 1; C. S., s. 3345; 1971, c. 1185, s. 16.)

**Editor's Note. —** The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice of the peace" twice in the section.

**§ 47-71.1. Corporate seal omitted prior to January, 1973. —** Any corporate deed, or conveyance of land in this State, made prior to January 1, 1973, which is defective only because the corporate seal is omitted therefrom is hereby declared to be a good and valid conveyance by such corporation for all purposes and shall be sufficient to pass title to the property therein conveyed as fully as if the said conveyance were executed according to the provisions and forms of law in force in this State at the date of the execution of such conveyance. (1957, c. 500, s. 1; 1963, c. 1015; 1969, c. 815; 1971, c. 61; 1973, c. 479.)

**Editor's Note.—**

The 1969 amendment substituted "1967" for "1963" near the beginning of the section. The amendatory act provides that it shall not apply to pending litigation.

The 1971 amendment substituted "1971" for "1967." The amendatory act provides that it shall not apply to pending litigation.

The 1973 amendment substituted "1973" for "1971."

**This section only serves to accentuate the necessity of a corporate seal** in order to make a corporate conveyance of real estate valid and effectual. *Investors Corp. v. Field Financial Corp.*, 5 N.C. App. 156, 167 S.E.2d 852 (1969).

**§ 47-72. Corporate name not affixed, but signed otherwise prior to January, 1973. —** In all cases prior to the first day of January, 1973, where any deed conveying lands purported to be executed by a corporation, but the corporate name was in fact not affixed to said deed, but same was signed by the president and secretary of said corporation, or by the president and two members of the governing body of said corporation, and said deed has been registered in the county where the land conveyed by said deed is located, said defective execution above described shall be and the same is hereby declared to be in all respects valid, and such deed shall be deemed to be in all respects the deed of said corporation. (1919, c. 53, s. 1; C. S., s. 3354; 1927, c. 126; 1963, c. 1094; 1973, c. 118, s. 1.)

**Editor's Note.—**

The 1973 amendment substituted "1973" for "one thousand nine hundred and sixty-three."

Session Laws 1973, c. 118, s. 2, provides: "This act shall not affect pending litigation."



**§ 47-95. Acknowledgments taken by notaries interested as trustee or holding other office.** — In every case where deeds and other instruments have been acknowledged and privy examination of wives had before notaries public, or justices of the peace, prior to January 1, 1975, when the notary public or justice of the peace at the time was interested as trustee in said instrument or at the time was also holding some other office, and the deed or other instrument has been duly probated and recorded, such acknowledgment and privy examination taken by such notary public or justice of the peace is hereby declared to be sufficient and valid. (1923, c. 61; C. S., s. 3366(h); 1931, cc. 166, 438; 1939, c. 321; 1955, c. 696; 1957, c. 1270; 1959, c. 81; 1969, c. 639, s. 1; 1975, c. 320, s. 1.)

**Editor's Note.**—

The 1969 amendment substituted "January 1, 1969" for "January 1, 1959." The amendatory act states that it is "the purpose and intent of this act to validate those certain acknowledgments with which G.S. 47-95 deals and which were made before January 1, 1969." Section 2 of the amendatory act provides that the act does not apply to pending litigation.

The 1975 amendment substituted "January 1, 1975" for "January 1, 1969." The amendatory act states that it is "the purpose and intent of this act to validate those certain acknowledgments with which G.S. 47-95 deals and which were made before January 1, 1975." Section 2 of the amendatory act provides that the act does not apply to pending litigation.

**§ 47-107. Validation of probate and registration of certain instruments where name of grantor omitted from record.** — Whenever any deed, deed of trust, conveyance or other instrument permitted by law to be registered in this State has been registered for a period of 21 years or more and a clerk of the superior court or a register of deeds has adjudged the certificate of the officer before whom the acknowledgment was taken to be in due form and correct and has ordered the instrument to be recorded, but the name of a grantor which appears in the body of the instrument and as a signer of the instrument has been omitted from the record of the certificate of the officer before whom the acknowledgment was taken, such deed, deed of trust, conveyance or other instrument shall be conclusively presumed to have been duly acknowledged, probated and recorded; provided this presumption shall not affect litigation instituted within 21 years after date of registration. (1941, c. 30; 1971, c. 825.)

**Editor's Note.** — The 1971 amendment substituted "Whenever any deed, deed of trust, conveyance or other instrument" for "All deeds, deeds of trust, conveyances or other instruments," substituted "has been registered for a period of 21 years or more and" for "which have been registered prior to January first, one thousand nine hundred and twenty-four, and in

which," inserted "or a register of deeds" deleted "in which" preceding "the name," and substituted, at the end of the section, the language beginning "such deed, deed of trust, conveyance or other instrument" for "are hereby declared to have been duly proved, probated and recorded and to be valid."

**§ 47-108.11. Validation of recorded instruments where seals have been omitted.** — In all cases of any deed, deed of trust, mortgage, lien or other instrument authorized or required to be registered in the office of the register of deeds of any county in this State where it appears of record or it appears that from said instrument, as recorded in the office of the register of deeds of any county in the State, there has been omitted from said recorded or registered instrument the word "seal," "notarial seal" and that any of said recorded or registered instruments shows or recites that the grantor or grantors "have hereunto fixed or set their hands and seals" and the signature of the grantor or grantors appears without a seal thereafter or on the recorded or registered instrument or in all cases where it appears there is an attesting clause which recites "signed, sealed and delivered in the presence of," and the signature of



the grantor or grantors appears on the recorded or registered instrument without any seal appearing thereafter or of record, then all such deeds, mortgages, deeds of trust, liens or other instruments, and the registration of same in the office of the register of deeds, are hereby declared to be in all respects valid and binding and are hereby made in all respects valid and binding to the same extent as if the word "seal" or "notarial seal" had not been omitted, and the registration and recording of such instruments in the office of the register of deeds in any county in this State are hereby declared to be valid, proper, legal and binding registrations.

This section shall not apply in any respect to any instrument recorded or registered subsequent to January 1, 1974, or to pending litigation or to any such instruments now directly or indirectly involved in pending litigation. (1953, c. 996; 1959, c. 1022; 1973, c. 519; c. 1207, s. 2.)

**Editor's Note.** — The first 1973 amendment substituted "1969" for "1959" in the second paragraph. amendatory act provides that it shall not apply to pending litigation.

The second 1973 amendment substituted "1974" for "1969" in the second paragraph. The

**§ 47-108.17. Validation of certain deeds where official capacity not designated.** — In all cases where an executor, executrix, administrator, administratrix, guardian or commissioner has executed a deed, deed of trust or other instrument of conveyance permitted by law to be registered in this State and the granting clause of the instrument sets forth the official capacity of the grantor, neither the failure to redesignate the grantor's official capacity following his or her signature nor the failure to designate the official capacity of the grantor in the acknowledgment of the instrument shall invalidate the conveyance provided the instrument is otherwise properly executed. (1973, c. 1220, s. 1.)

**Editor's Note.** — Session Laws 1973, c. 1220, s. 2, provides that the act shall not apply to pending litigation.

ARTICLE 5.

*Registration of Official Discharges from the Military and Naval Forces of the United States.*

**§ 47-113. Certified copy of registration.** — Any person desiring a certified copy of any such discharge, or certificate of lost discharge, registered under the provisions of this article shall apply for the same to the register of deeds of the county in which such discharge or certificate of lost discharge is registered. The register of deeds shall furnish certified copies of instruments registered under this article without charge to any member or former member of the armed forces of the United States who applies therefor. (1921, c. 198, s. 5; C. S., s. 3366(o); 1945, c. 659, s. 3; 1969, c. 80, s. 11.)

**Editor's Note.** — Prior to the 1969 amendment, effective July 1, 1969, the section provided for payment of a fee of fifty cents, except by members or former members of the armed forces.



## ARTICLE 6.

*Execution of Powers of Attorney.*

**§ 47-115.1. Appointment of attorney in fact which may be continued in effect notwithstanding incapacity or mental incompetence of the principal therein.** — (a) Any person 18 years of age or more and mentally competent may as principal execute a power of attorney pursuant to the provisions of this section which shall continue in effect until revoked as hereinafter provided, notwithstanding any incapacity or mental incompetence of such principal which occurs after the date of the execution and acknowledgment of the power of attorney.

(d) No power of attorney executed pursuant to the provisions of this section shall be valid but from the time of registration thereof in the office of the register of deeds of that county in this State designated in the power of attorney, or if no place of registration is designated, in the office of the register of deeds of the county in which the principal has his legal residence at the time of such registration or, if the principal has no legal residence in this State at the time of registration or the attorney in fact is uncertain as to the principal's residence in this State, in some county in the State in which the principal owns property or the county in which one or more of the attorneys in fact reside. A power of attorney executed pursuant to the provisions of this section shall be valid from the time of registration thereof even though the time of such registration is subsequent to the mental incapacity or incompetence of the principal. Within 30 days after the registration of the power of attorney as above provided, the attorney in fact shall file with the clerk of the superior court in the county of such registration a copy of the power of attorney, but failure to file with the clerk shall not affect validity of the instrument.

(k) In the event that any power of attorney executed pursuant to the provisions of this section does not contain the amount of commissions that the attorney in fact is entitled to receive or the way such commissions are to be determined, and the principal should thereafter become incompetent, the commissions such attorney in fact shall receive shall be fixed in the discretion of the clerk of superior court pursuant to the provisions of G.S. 28-170. (1961, c. 341, s. 1; 1967, c. 1087; 1971, c. 197; c. 1231, s. 1.)

**Editor's Note.** — The 1967 amendment added subsection (k).

The first 1971 amendment added the second sentence in subsection (d).

The second 1971 amendment substituted "18" for "twenty-one (21)" in subsection (a).

As the rest of the section was not affected by the amendments, it is not set out.

## ARTICLE 8.

*Memoranda of Leases and Options.*

**§ 47-117. Forms do not preclude use of others; adaptation of forms.**

Cited in *Lawing v. Jaynes*, 285 N.C. 418, 206 S.E.2d 162 (1974).



## Chapter 47A. Unit Ownership Act.

Sec.

47A-3. Definitions.

47A-18. Bylaws; annexed to declaration;  
amendments.

**§ 47A-3. Definitions.** — Unless it is plainly evident from the context that a different meaning is intended, as used herein:

(1a) "Building" means a building, or a group of buildings, each building containing one or more units, and comprising a part of the property; provided that the property shall contain not less than two units.

(12) "Unit" or "condominium unit" means an enclosed space consisting of one or more rooms occupying all or a part of a floor or floors in a building of one or more floors or stories regardless of whether it be designed for residence, for office, for the operation of any industry or business, or for any other type of independent use and shall include such accessory spaces and areas as may described in the declaration, such as garage space, storage space, balcony, terrace or patio, provided it has a direct exit to a thoroughfare or to a given common space leading to a thoroughfare.

(1969, c. 848; 1971, c. 418.)

**Editor's Note.** — The 1969 amendment added subdivision (1a) and inserted "or floors" near the beginning of subdivision (12).

The 1971 amendment, in subdivision (1a), substituted "one" for "two" and added the proviso.

Only the opening paragraph of the section and the subdivisions changed by the amendments are set out.

### § 47A-7. Common areas and facilities not subject to partition or division.

**Editor's Note.** — For note on direct restraints on alienation, see 48 N.C.L. Rev. 173 (1969).

**§ 47A-18. Bylaws; annexed to declaration; amendments.** — The administration of every property shall be governed by bylaws, a true copy of which shall be annexed to the declaration. No modification of or amendment to the bylaws shall be valid, unless set forth in an amendment to the declaration and such amendment is duly recorded. (1963, c. 685, s. 18; 1973, c. 734.)

**Editor's Note.** — The 1973 amendment deleted "and to the first deed of each unit" at the end of the first sentence.



**Chapter 47B.****Real Property Marketable Title Act.**

Sec.	Sec.
47B-1. Declaration of policy and statement of purpose.	47B-5. Extension of time for registering notice of claims which Chapter would otherwise bar.
47B-2. Marketable record title to estate in real property; 30-year unbroken chain of title of record; effect of marketable title.	47B-6. Registering false claim.
47B-3. Exceptions.	47B-7. Limitations of actions and recording acts.
47B-4. Preservation by notice; contents; recording; indexing.	47B-8. Definitions.
	47B-9. Chapter to be liberally construed.

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**Editor's Note.** — Session Laws 1973, c. 255, s. 2, makes the act effective Oct. 1, 1973.

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**§ 47B-1. Declaration of policy and statement of purpose.** — It is hereby declared as a matter of public policy by the General Assembly of the State of North Carolina that:

- (1) Land is a basic resource of the people of the State of North Carolina and should be made freely alienable and marketable so far as is practicable.
- (2) Nonpossessory interests in real property, obsolete restrictions and technical defects in titles which have been placed on the real property records at remote times in the past often constitute unreasonable restraints on the alienation and marketability of real property.
- (3) Such interests and defects are prolific producers of litigation to clear and quiet titles which cause delays in real property transactions and fetter the marketability of real property.
- (4) Real property transfers should be possible with economy and expediency. The status and security of recorded real property titles should be determinable from an examination of recent records only.

It is the purpose of the General Assembly of the State of North Carolina to provide that if a person claims title to real property under a chain of record title for 30 years, and no other person has filed a notice of any claim of interest in the real property during the 30-year period, then all conflicting claims based upon any title transaction prior to the 30-year period shall be extinguished. (1973, c. 255, s. 1.)

Cited in *Lea v. Dudley*, 20 N.C. App. 702, 202 S.E.2d 799 (1974).

**§ 47B-2. Marketable record title to estate in real property; 30-year unbroken chain of title of record; effect of marketable title.** — (a) Any person having the legal capacity to own real property in this State, who, alone or together with his predecessors in title, shall have been vested with any estate in real property of record for 30 years or more, shall have a marketable record title to such estate in real property.

(b) A person has an estate in real property of record for 30 years or more when the public records disclose a title transaction affecting the title to the real



property which has been of record for not less than 30 years purporting to create such estate either in:

- (1) The person claiming such estate; or
- (2) Some other person from whom, by one or more title transactions, such estate has passed to the person claiming such estate with nothing appearing of record, in either case, purporting to divest such claimant of the estate claimed.

(c) Subject to the matters stated in G.S. 47B-3, such marketable record title shall be free and clear of all rights, estates, interests, claims or charges whatsoever, the existence of which depends upon any act, title transaction, event or omission that occurred prior to such 30-year period. All such rights, estates, interests, claims or charges, however denominated, whether such rights, estates, interests, claims or charges are or appear to be held or asserted by a person sui juris or under a disability, whether such person is natural or corporate, or is private or governmental, are hereby declared to be null and void.

(d) In every action for the recovery of real property, to quiet title, or to recover damages for trespass, the establishment of a marketable record title in any person pursuant to this statute shall be prima facie evidence that such person owns title to the real property described in his record chain of title. (1973, c. 255, s. 1; c. 881.)

**Editor's Note.** — The 1973 amendment substituted "estate" for "interest" in two places in subsection (a) and in six places in subsection (b).

**§ 47B-3. Exceptions.** — Such marketable record title shall not affect or extinguish the following rights:

- (1) Rights, estates, interests, claims or charges disclosed by and defects inherent in the muniments of title of which such 30-year chain of record title is formed, provided, however, that a general reference in any of such muniments to rights, estates, interests, claims or charges created prior to such 30-year period shall not be sufficient to preserve them unless specific identification by reference to book and page or record be made therein to a recorded title transaction which imposed, transferred or continued such rights, estates, interests, claims or charges.
- (2) Rights, estates, interests, claims or charges preserved by the filing of a proper notice in accordance with the provisions of G.S. 47B-4.
- (3) Rights, estates, interests, claims or charges of any person who is in present, actual and open possession of the real property so long as such person is in such possession.
- (4) Rights of any person who likewise has a marketable record title as defined in G.S. 47B-2 and who is listed as the owner of such real property on the tax books of the county in which the real property is located at the time that marketability is to be established.
- (5) Rights of any owners of mineral rights.
- (6) Rights-of-way of any railroad company (irrespective of nature of its title or interest therein whether fee, easement, or other quality) and all real estate other than right-of-way property of a railroad company in actual use for railroad purposes or being held or retained for prospective future use for railroad operational purposes. The use by any railroad company or the holding for future use of any part of a particular tract or parcel of right-of-way or non-right-of-way property shall preserve the interest of the railway company in the whole of such particular tract or parcel. Operational use is defined as railroad use requiring proximity and access to railroad tracks. Nothing in this section shall be construed as repealing G.S. 1-44.1.



- (7) Rights, interests, or servitudes in the nature of easements, rights-of-way or terminal facilities of any railroad (company or corporation) obtained by the terms of its charter or through any other congressional or legislative grant not otherwise extinguished.
- (8) Rights of any person who has an easement or interest in the nature of an easement, whether recorded or unrecorded and whether possessory or nonpossessory, when such easement or interest in the nature of an easement is for the purpose of:
  - a. Flowage, flooding or impounding of water, provided that the watercourse or body of water, which such easement or interest in the nature of an easement serves, continues to exist; or
  - b. Placing and maintaining lines, pipes, cables, conduits or other appurtenances which are either aboveground, underground or on the surface and which are useful in the operation of any water, gas, natural gas, petroleum products, or electric generation, transmission or distribution system, or any sewage collection or disposal system, or any telephone, telegraph or other communications system, or any surface water drainage or disposal system whether or not the existence of the same is clearly observable by physical evidence of its use.
- (9) Rights, titles or interests of the United States to the extent that the extinguishment of such rights, titles or interest is prohibited by the laws of the United States.
- (10) Rights, estates, interests, claims or charges created subsequent to the beginning of such 30-year period.
- (11) Deeds of trust, mortgages and security instruments or security agreements duly recorded and not otherwise unenforceable.
- (12) Rights, estates, interests, claims or charges with respect to any real property registered under the Torrens Law as provided by Chapter 43 of the General Statutes of North Carolina.
- (13) Covenants applicable to a general or uniform scheme of development which restrict the property to residential use only, provided said covenants are otherwise enforceable. The excepted covenant may restrict the property to multi-family or single-family residential use or simply to residential use. Restrictive covenants other than those mentioned herein which limit the property to residential use only are not excepted from the provisions of Chapter 47-B. (1973, c. 255, s. 1.)

**§ 47B-4. Preservation by notice; contents; recording; indexing.** — (a) Any person claiming a right, estate, interest or charge which would be extinguished by this Chapter may preserve the same by registering within such 30-year period a notice in writing, duly acknowledged, in the office of the register of deeds for the county in which the real property is situated, setting forth the nature of such claim, which notice shall have the effect of preserving such claim for a period of not longer than 30 years after registering the same unless again registered as required herein. No disability or lack of knowledge of any kind on the part of any person shall delay the commencement of or suspend the running of said 30-year period. Such notice may be registered by the claimant or by any other person acting on behalf of any claimant who is

- (1) Under a disability;
- (2) Unable to assert a claim on his behalf; or
- (3) One of a class, but whose identity cannot be established or is uncertain at the time of filing such notice of claim for record.

(b) To be effective and to be entitled to registration, such notice shall contain an accurate and full description of all real property affected by such notice, which description shall be set forth in particular terms and not be by general reference; but if such claim is founded upon a recorded instrument, then the



description in such notice may be the same as that contained in the recorded instrument. Such notice shall also contain the name of any record owner of the real property at the time the notice is registered and a statement of the claim showing the nature, description and extent of such claim. The register of deeds of each county shall accept all such notices presented to him which are duly acknowledged and certified for recordation and shall enter and record full copies thereof in the same way that deeds and other instruments are recorded, and each register of deeds shall be entitled to charge the same fees for the recording thereof as are charged for the recording of deeds. In indexing such notices in his office each register of deeds shall enter such notices under the grantee indexes of deeds under the names of persons on whose behalf such notices are executed and registered and under the grantor indexes of deeds under the names of the record owners of the possessory estates in the real property to be affected against whom the claim is to be preserved at the time of the registration. (1973, c. 255, s. 1.)

**§ 47B-5. Extension of time for registering notice of claims which Chapter would otherwise bar.** — If the 30-year period specified in this Chapter shall have expired prior to October 1, 1973, no right, estate, interest, claim or charge shall be barred by G.S. 47B-2 until October 1, 1976, and any right, estate, interest, claim or charge that would otherwise be barred by G.S. 47B-2 may be preserved and kept effective by the registration of a notice of claim as set forth in G.S. 47B-4 of this Chapter prior to October 1, 1976. (1973, c. 255, s. 1.)

**§ 47B-6. Registering false claim.** — No person shall use the privilege of registering notices hereunder for the purpose of asserting false or fictitious claims to real property; and in any action relating thereto if the court shall find that any person has intentionally registered a false or fictitious claim, the court may award to the prevailing party all costs incurred by him in such action, including a reasonable attorney's fee, and in addition thereto may award to the prevailing party treble the damages that he may have sustained as a result of the registration of such notice of claim. (1973, c. 255, s. 1.)

**§ 47B-7. Limitations of actions and recording acts.** — Nothing contained in this Chapter shall be construed to extend the period for the bringing of an action or for the doing of any other required act under any statutes of limitations, nor, except as herein specifically provided, to affect the operation of any statutes governing the effect of the registering or the failure to register any instrument affecting real property. (1973, c. 255, s. 1.)

**§ 47B-8. Definitions.** — As used in this Chapter:

- (1) The term "person" denotes singular or plural, natural or corporate, private or governmental, including the State and any political subdivision or agency thereof, and a partnership, unincorporated association, or other entity capable of owning an interest in real property.
- (2) The term "title transaction" means any transaction affecting title to any interest in real property, including but not limited to title by will or descent, title by tax deed, or by trustee's, referee's, commissioner's, guardian's, executor's, administrator's, or sheriff's deed, contract, lease or reservation, or judgment or order of any court, as well as warranty deed, quitclaim deed, or mortgage. (1973, c. 255, s. 1.)

**§ 47B-9. Chapter to be liberally construed.** — This Chapter shall be liberally construed to effect the legislative purpose of simplifying and facilitating real property title transactions by allowing persons to rely on a record chain of title of 30 years as described in G.S. 47B-2, subject only to such limitations as appear in G.S. 47B-3. (1973, c. 255, s. 1.)



## Chapter 48.

## Adoptions.

Sec.	Sec.
48-1. Legislative intent; construction of chapter.	48-19. Report on placement after interlocutory decree.
48-2. Definitions.	48-20. Dismissal of proceeding.
48-3. What minor children may be adopted.	48-21. Final order of adoption; termination of proceeding within three years.
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48-8. Capacity of parents to consent.	48-37. Compensation for placing or arranging placement of child for adoption prohibited.
48-9. When consent may be given by persons other than parents.	48-38. Advertisements soliciting children for adoption prohibited.
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48-9.2. Foreign order of adoption in lieu of consent.	48-39.1. State Fund for Adoptive Children with Special Needs.
48-12. Nature of proceeding; venue.	48-39.2. Eligibility.
48-15. Petition for adoption.	
48-16. Investigation of conditions and antecedents of child and of suitability of foster home.	

**§ 48-1. Legislative intent; construction of chapter.** — The General Assembly hereby declares as a matter of legislative policy with respect to adoption that —

- (1) The primary purpose of this chapter is to protect children from unnecessary separation from parents who might give them good homes and loving care, to protect them from adoption by persons unfit to have the responsibility of their care and rearing, and to protect them from interference, long after they have become properly adjusted in their adoptive homes by natural parents who may have some legal claim because of a defect in the adoption procedure.
- (2) The secondary purpose of this chapter is to protect the natural parents from hurried decisions, made under strain and anxiety, to give up a child, and to protect foster parents from assuming responsibility for a child about whose heredity or mental or physical condition they know nothing, and to prevent later disturbance of their relationship to the child by natural parents whose legal rights have not been fully protected.
- (3) When the interests of a child and those of an adult are in conflict, such conflict should be resolved in favor of the child; and to that end this chapter should be liberally construed. (1949, c. 300.)

**Editor's Note.—**

This section is set out above to correct an error appearing in the replacement volume.

Session Laws 1967, c. 880, s. 1, effective July 1, 1967, changed the heading of this chapter from "Adoption of Minors" to "Adoptions."



**§ 48-2. Definitions.** — In this Chapter, unless the context or subject matter otherwise requires—

- (1) "Adult person" means any person who has attained the age of 18 years.
- (2) "Licensed child-placing agency" means any agency operating under a license to place children for adoption issued by the Department of Human Resources, or in the event that such agency is in another state or territory or in the District of Columbia, operating under a license to place children for adoption issued by a governmental authority of such state, territory, or the District of Columbia, empowered by law to issue such licenses.
- (3a) For the purpose of this Chapter, an abandoned child shall be any child who has been willfully abandoned at least six consecutive months immediately preceding institution of an action or proceeding to declare the child to be an abandoned child. A child may be willfully abandoned by his or her legal or natural father, within the meaning of this section, if the mother of the child had been willfully abandoned by and was living separate and apart from the father at the time of the child's birth, although the father may not have known of such birth; but in any event said child must be over the age of three months at the time of institution of the action or proceeding to declare the child to be an abandoned child.
- (3b) In addition to the definition of abandonment in (3a) above, an abandoned child, for purposes of this Chapter, shall be a child who has been placed in the care of a child-caring institution or foster home, and whose parent, parents, or guardian of the person has failed substantially and continuously for a period of more than six months to maintain contact with such child, and has willfully failed for such period to contribute adequate support to such child, although physically and financially able to do so. In order to find an abandonment under this subdivision, the court must find the foregoing and the court must also find that diligent but unsuccessful efforts have been made on the part of the institution or a child-placing agency to encourage the parent, parents, or guardian of the person of the child to strengthen the parental or custodial relationship to the child.
- (4) "Readoption" means an adoption by any person of a child who has been previously legally adopted.
- (5) "Stepchild" means the child of one spouse by a former union, whether or not such child was born in wedlock. (1949, c. 300; 1953, c. 880; 1957, c. 778, s. 1; 1961, c. 241; 1969, c. 982; 1971, c. 157, ss. 1, 2; c. 1231, s. 1; 1973, c. 476, s. 138; 1975, c. 321, s. 2.)

**Editor's Note.** — The first 1971 amendment, effective July 1, 1971, deleted "under the age of eighteen years" following "any child" in the first sentence of subdivision (3a), deleted "and under the age of eighteen years" following "three months" in the second sentence of that subdivision, and deleted "under eighteen years of age" following "a child" in the first sentence of subdivision (3b).

The second 1971 amendment substituted "18" for "twenty-one" in subdivision (1).

The 1973 amendment, effective July 1, 1973, substituted "Department of Human Resources" for "State Board of Public Welfare" in subdivision (2).

The 1975 amendment substituted "six months" for "one year" near the middle of the first sentence of subdivision (3b).

**Abandonment Must Be Willful. —**

In accord with 2nd paragraph in original. See *Boring v. Mitchell*, 5 N.C. App. 550, 169 S.E.2d 79 (1969).

**It Is Not Necessary, etc. —**

In accord with original. See *Boring v. Mitchell*, 5 N.C. App. 550, 169 S.E.2d 79 (1969).

**If His Conduct Shows Intent, etc. —**

In accord with original. See *Boring v. Mitchell*, 5 N.C. App. 550, 169 S.E.2d 79 (1969).

**Parent May Not Dissipate Effects of Abandonment by Desire for Return of Child.**

— Abandonment is not an ambulatory thing, the legal effects of which a delinquent parent may dissipate at will by the expression of a desire for the return of the discarded child. *Boring v. Mitchell*, 5 N.C. App. 550, 169 S.E.2d 79 (1969).



An instruction as to abandonment alone without an instruction as to the time period over which the abandonment must exist is an

insufficient explanation of the law arising from the facts. *McIntosh v. McIntosh*, 20 N.C. App. 742, 202 S.E.2d 804 (1974).

### § 48-3. What minor children may be adopted.

#### Editor's Note. —

Session Laws 1967, c. 880, s. 2, effective July 1, 1967, changed the catchline of this section

from "Who may be adopted" to "What minor children may be adopted."

**§ 48-4. Who may adopt children.** — (a) Any person over 18 years of age may petition in a special proceeding in the superior court to adopt a minor child and may also petition for a change of the name of such child. If the petitioner has a husband or wife living, competent to join in the petition, such spouse shall join in the petition.

(b) Provided, however, that if the spouse of the petitioner is a natural parent of the child to be adopted, such spouse need not join in the petition but need only to give consent as provided in G.S. 48-7(d). Provided further that if the petitioner is the natural parent of the child to be adopted and the other natural parent of the child is living, the spouse of the petitioner may choose not to join in the petition, but shall indicate agreement to the proposed adoption by affidavit which shall be incorporated into the adoption proceeding.

(c) Provided further, that the petitioner or petitioners shall have resided in North Carolina, or on federal territory within the boundaries of North Carolina, for six months next preceding the filing of the petition unless the petition is for the adoption of a stepchild as provided in subsection (b) or for the adoption of a natural child as provided in subsection (b) or for the adoption of a child who is by blood the grandchild of one of the petitioners, or unless, in the case of a child born out of wedlock, the petitioners file an affidavit with the court as described in subsection (d). In cases where the petition is for the adoption of a child who is by blood the grandchild of one of the petitioners and in cases where the petitioner is the natural parent of the child as provided in subsection (b) and in the case of a child born out of wedlock and where the petitioners file an affidavit with the court as described in subsection (d) and in cases where the petition is for the adoption of a stepchild, the petitioner must be in fact residing in North Carolina, or on a federal territory within the boundaries of North Carolina, at the time the petition is filed. The provisions of this subsection concerning the adoption of a grandchild shall apply in the case of any petition filed on or after January 1, 1967.

(d) In the case of a child born out of wedlock, if the putative father of the child or the putative father and his spouse are petitioners seeking to adopt the child, and the petitioners shall state in an affidavit filed with the court that the male petitioner is the father of the child or that he is believed by the petitioners to be the father of the child, and that the child was born out of wedlock, and the petitioners must be in fact residing in North Carolina, or on a federal territory within the boundaries of North Carolina, at the time the petition is filed.

(e) If the petitioner is the natural parent or the spouse of the natural parent of the minor child, such petitioner may adopt the child even though the petitioner is not 21 years of age. Such petitioner shall be competent to execute the petition without the appointment of a general or testamentary guardian, or by guardian ad litem. (1949, c. 300; 1963, c. 699; 1967, c. 619, ss. 1-3; c. 693; 1971, c. 395; c. 1231, s. 1; 1973, c. 1354, ss. 1-4.)

#### Editor's Note. —

The first 1967 amendment, effective July 1, 1967, inserted in subsection (c) the provisions as to adoption of a grandchild and a child born out of wedlock and added subsection (d).

The second 1967 amendment, effective July 1, 1967, substituted "six months" for "one year" in subsection (c).

The first 1971 amendment added subsection (e).



The second 1971 amendment substituted "18" for "twenty-one" in the first sentence of subsection (a).

The 1973 amendment added the second sentence of subsection (b), inserted "or for the adoption of a natural child as provided in subsection (b)" near the middle of the first

sentence, and "and in cases where the petitioner is the natural parent of the child as provided in subsection (b)" near the beginning of the second sentence, of subsection (c), and inserted "the natural parent or" near the beginning of subsection (e).

**§ 48-5. When parent is not necessary party to adoption proceedings.** — (a) In all cases where a district court has entered an order pursuant to G.S. 7A-288 terminating the parental rights with respect to a child adjudicated to be neglected or dependent, the parent whose parental rights with respect to such child may have been terminated shall not be a necessary party to any proceeding under this Chapter nor shall the consent of such parent or parents be required.

(b) In the event that a district court has not heretofore entered an order terminating parental rights as provided for in G.S. 7A-288, then on written notice of not less than 10 days to the parent, parents, or guardian of the person, the court in the adoption proceeding is hereby authorized to determine whether an abandonment as defined in G.S. 48-2(3a) and (3b) has taken place.

(c) If the parent, parents, or guardian of the person deny that an abandonment has taken place, this issue of fact shall be determined as provided in G.S. 1-273, and if abandonment is determined, then the consent of the parent, parents, or guardian of the person shall not be required. Upon final determination of this issue of fact the proceeding shall be transferred back to the special proceedings docket for further action by the clerk.

(d) A copy of the order terminating parental rights or a copy of the order declaring a child abandoned as provided in subsections (b) and (c) must be filed in the proceeding with the petition in which case consent must be given or withheld in accordance with G.S. 48-9, subsection (a)(2) or subsection (a)(3). (1949, c. 300; 1957, c. 90; c. 778, s. 3; 1971, c. 1185, s. 17; 1975, c. 321, s. 1.)

**Editor's Note.** —

The 1971 amendment, effective Oct. 1, 1971, deleted a reference to a juvenile court or a domestic relations court in subsection (a), and deleted a former proviso at the end of subsection (b).

The 1975 amendment rewrote subsection (a), substituted "district court" for "court of competent jurisdiction" and "entered an order terminating parental rights as provided for in G.S. 7A-288" for "declared the child be an abandoned child" and inserted "as defined in G.S. 48-2(3a) and (3b)" in subsection (b), and substituted "order terminating parental rights or a copy of the order declaring a child abandoned as provided in subsections (b) and (c)"

for "order of the court declaring a child abandoned" and added "or subsection (a)(3)" in subsection (d).

**Opinions of Attorney General.** — Mr. Louis O'Conner, Jr., Director, Welfare Programs Division, State Department of Social Services, 40 N.C.A.G. 645 (1969).

**Only finding of abandonment and termination of parental rights per § 7A-288 will negate requirement of finding abandonment** per this section. Opinion of Attorney General to Robin L. Peacock, N.C. Department of Social Services, 42 N.C.A.G. 305 (1973).

**Stated** in *In re Adoption of Daughtridge*, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**§ 48-6. When consent of father not necessary.** — (a) In case of a child born out of wedlock when the paternity of said child has not been judicially established or acknowledged by affidavit, or when said child has not been legitimated prior to the time of the signing of the consent, the written consent of the mother alone shall be sufficient under this Chapter and the father need not be made a party to the proceeding. The judicial establishment of paternity, the acknowledgement of paternity by affidavit, or the legitimation of the child



by any means subsequent to the signing of such consent of the mother shall not make such consent invalid nor adversely affect the sufficiency of such consent nor make necessary the consent of the father or his joinder as a party to the proceeding. The judicial establishment of paternity or the acknowledgment of paternity by affidavit prior to the signing of the consent by the mother, if such consent was signed prior to January 1, 1976, shall not make necessary the consent of the father or his joinder as a party to the proceeding.

(1969, c. 534, s. 1; 1975, c. 714.)

**Editor's Note.** — The 1969 amendment added the second sentence of subsection (a). Section 4 of the amendatory act provides: "This act is intended to clarify and express in part the original, as well as the present, purpose and intent of § 48-6 (a) of the General Statutes of North Carolina as related to chapter 49, article 2."

The 1975 amendment deleted "the" following "In" and substituted "when the paternity of said child has not been judicially established or acknowledged by affidavit, or" for "and" near the beginning of the first sentence of subsection (a), added "The judicial establishment of paternity, the acknowledgment of paternity by affidavit, or," at the beginning of the second

sentence of subsection (a) and added the third sentence of subsection (a).

As subsection (b) was not changed by the amendments, it is not set out.

**Legitimation Proceeding Has No Effect upon Prior Consent to Adoption.** — A legitimation proceeding brought under § 49-10 by the putative father of a child born out of wedlock, wherein the child is declared legitimate, has no effect upon the prior written consent to adoption given by the unwed mother under this section. *In re Doe*, 11 N.C. App. 560, 181 S.E.2d 760 (1971).

**Stated in** *In re Adoption of Daughtridge*, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**§ 48-6.1. When consent of mother of illegitimate child not necessary.** — Whenever it has been judicially determined in a proceeding instituted pursuant to the provisions of North Carolina G.S. 130-58.1 that a child born out of wedlock is living under such conditions that the health or general welfare of such child is endangered by its living conditions and environment, then, the consent of the mother to the adoption of such child shall not be necessary as a prerequisite to the validity of the adoption of said child. (1963, c. 1258; 1969, c. 911, s. 8.)

**Editor's Note.** — The 1969 amendment substituted "G.S. 130-58.1" for "G.S. 110-25.1."

Session Laws 1969, c. 911, s. 11, provides: "This act shall be effective January 1, 1970, provided that in those districts where the district

court is not yet established, the courts exercising juvenile jurisdiction on the effective date shall continue to exercise juvenile jurisdiction until the district court is established."

**§ 48-7. When consent of parents or guardian necessary.** — (a) Except as provided in G.S. 48-5, G.S. 48-6 or G.S. 7A-288, and if they are living and have not released all rights to the child and consented generally to adoption as provided in G.S. 48-9, the parents or surviving parent or guardian of the person of the child must be a party or parties of record to the proceeding and must give written consent to adoption, which must be filed with the petition.

(b) In any case where the parents or surviving parent or guardian of the person of the child whose adoption is sought are necessary parties and their address is known, or can by due and diligent search be ascertained, that fact must be made known to the court by proper allegation in the petition or by affidavit and service of process must be made upon such person as provided by law for service of process on residents of the State or by service of process on nonresidents as provided in G.S. 1A-1, Rule 4; provided, however, that service of process upon such person shall not be necessary if he or she has given written consent, duly acknowledged, to the adoption sought in the proceeding.

(c) If the address of such person cannot be ascertained for the purpose of service of process or service of process cannot be made as hereinbefore provided,



that fact must be made known to the court by proper allegation in the petition or by affidavit to the effect that after due and diligent search such person cannot be found for the purpose of service of process. Service of process upon such person may then be made by publication of summons as provided by G.S. 1A-1, Rule 4, and as provided by law.

(d) When a stepparent petitions to adopt a stepchild, consent to the adoption must be given by the spouse of the petitioner, and this adoption shall not affect the relationship of parent and child between such spouse and the child.

(e) When the spouse of the natural parent chooses not to join in the petition and has signed an affidavit as provided in G.S. 48-4(b), the consent of the other natural parent to the adoption shall not affect the relationship of parent and child between such parent and the child. (1949, c. 300; 1957, c. 778, s. 5; 1969, c. 911, s. 6; 1971, c. 1093, s. 13; 1973, c. 1354, s. 5.)

**Editor's Note. —**

The 1969 amendment inserted the reference to § 7A-288 near the beginning of subsection (a).

The 1971 amendment substituted "G.S. 1A-1, Rule 4" for "G.S. 1-104" in subsection (b) and substituted "G.S. 1A-1, Rule 4" for "G.S. § 1-98 et seq." in the second sentence of subsection (c).

The 1973 amendment added subsection (e).

Session Laws 1969, c. 911, s. 11, provides: "This act shall be effective January 1, 1970, provided that in those districts where the district court is not yet established, the courts exercising juvenile jurisdiction on the effective date shall continue to exercise juvenile jurisdiction until the district court is established."

**Consent is essential to an order of adoption.** In re Adoption of Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**And Might Sometimes Be Withheld. —** The General Assembly recognizes that there are cases in which consent might be and sometimes should be withheld by the person or agency

qualified to give consent. In re Adoption of Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**When Consent Must Be Given with Knowledge of Identity of Adoptive Parents. —**

Except where consent is given to a licensed child-placing agency or a county director of social services in accordance with § 48-9, consent to an adoption must be given with the knowledge of the identity of the adoptive parents. Opinion of Attorney General to Mrs. Robin L. Peacock, Supervisor of Adoptions, Division of Social Services, Department of Human Resources, 43 N.C.A.G. 247 (1973).

**Legitimation Proceeding Has No Effect upon Prior Consent to Adoption. —** A legitimation proceeding brought under § 49-10 by the putative father of a child born out of wedlock, wherein the child is declared legitimate, has no effect upon the prior written consent to adoption given by the unwed mother under § 48-6. In re Doe, 11 N.C. App. 560, 181 S.E.2d 760 (1971).

**§ 48-8. Capacity of parents to consent. —** A parent who has not reached the age of 18 years shall have legal capacity to give consent to adoption and to release such parent's rights in a child, and shall be as fully bound thereby as if said parents had attained 18 years of age. (1949, c. 300; 1971, c. 1231, s. 1.)

**Editor's Note. —** The 1971 amendment substituted "18" for "twenty-one" in two places.

**§ 48-9. When consent may be given by persons other than parents. — (a)** In the following instances written consent sufficient for the purposes of adoption filed with the petition shall be sufficient to make the person giving consent a party to the proceeding and no service of any process need be made upon such person:

- (1) When the parent, parents, or guardian of the person of the child has in writing surrendered the child to a director of social services of a county or to a licensed child-placing agency and at the same time in writing has consented generally to adoption of the child, the director of social services or the executive head of such agency may give consent to the adoption of the child by the petitioners. A county director of social



services may accept the surrender of a child who was born in the county or whose parent or parents have established residence in the county.

- (2) If the court finds as a fact that there is no person qualified to give consent, or that the child has been abandoned by one or both parents or by the guardian of the person of the child, the court shall appoint some suitable person or the county director of social services of the county in which the child resides to act in the proceeding as guardian ad litem of the child to give or withhold such consent. The court may make the appointment immediately upon such determination and forthwith may make such further orders as to the court may seem proper.

- (3) When a district court has entered an order terminating parental rights as provided by G.S. 7A-288, and when the court has placed such child in the custody of the county department of social services or a licensed child-placing agency, then the director of such county department of social services or the executive director of such licensed child-placing agency shall have the right to give written consent to the adoption of such child without being appointed as guardian ad litem of the child.

(d) If the court finds as a fact that one or both of the parents of a child are unable to give a valid consent to an adoption for the reason that one or both of said parents have been adjudged mentally incompetent, the court may appoint some suitable person or the county director of social services of the county in which the child resides to act in the proceeding as guardian ad litem of the child to give or withhold such consent. It shall be the duty of the person so appointed as guardian ad litem of the child to make a full investigation as to whether or not the parent or parents of the child is, or are, incurably insane and make a full report thereof to the court. The appointment of a guardian ad litem or the county director as herein provided shall be made immediately or at such time fixed by the court upon the making of such determination and the court may make such further orders as may be proper. Upon a finding that one or both of the parents of a child have been adjudged mentally incompetent, the director of social services or licensed agency shall cause notice of such fact to be given to the adopting parents. (1949, c. 300; 1953, c. 906; 1961, c. 186; 1969, c. 911, s. 7; c. 982; 1975, c. 702, ss. 1-3.)

**Editor's Note.** — The 1969 amendment added subdivision (3) of subsection (a).

The 1975 amendment substituted "guardian ad litem" for "next friend" near the end of the first sentence of subdivision (2) and near the end of subdivision (3) of subsection (a) and for "the next friend" in the first sentence and "next friend" in the second sentence of subsection (d), and substituted "a guardian ad litem" for "any next friend" in the third sentence of subsection (d).

Session Laws 1969, c. 911, s. 11, provides: "This act shall be effective January 1, 1970, provided that in those districts where the district court is not yet established, the courts exercising juvenile jurisdiction on the effective date shall continue to exercise juvenile jurisdiction until the district court is established."

As the rest of the section was not changed by the amendments, only subsections (a) and (d) are set out.

**Consent is essential to an order of adoption.** In re Adoption of Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**And Might Sometimes Be Withheld.** — The General Assembly recognizes that there are cases in which consent might be and sometimes should be withheld by the person or agency qualified to give consent. In re Adoption of Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**Consent may not be unreasonably and unjustly withheld.** In re Adoption of Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**Or Court May Order Adoption to Proceed without Agency's Consent.** — Should a court find that an agency has unreasonably withheld its consent, the court has the right to order that the adoption proceed without the written consent of the agency — resulting, as a practical matter, in the adoption of the child proceeding with the consent of the court substituted for the consent of the agency. In re Adoption of



Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

If a court shall find that a failure to grant the petition for adoption would be inimical to the best interests and welfare of the child, it may proceed as if the consent which it finds ought to have been given has been given. In re Adoption of Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**Agency's Consent Is Simply Additional Safeguard.** — The consent of those in custody of the child under statutory provisions, unlike the absolute required consent of competent

natural parents, is simply an additional safeguard to the welfare and best interests of the child. In re Adoption of Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**Consent of the county department of social services to the adoption was required** by virtue of subsection (b). In re Adoption of Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**Consent to Adoption by Person in Charge of County.** — See opinion of Attorney General to Miss Louise W. Creef, Steno II, In Charge, Dare County Department of Social Services, 40 N.C.A.G. 648 (1970).

**§ 48-9.1. Additional effects of surrender and consent given to director of social services or to licensed child-placing agency; custody of child; disposition of certain unadoptable children.** — The legal effects of written surrender and general consent to adoption given to and accepted by a director of social services or a licensed child-placing agency in accordance with G.S. 48-9(a)(1) shall be as follows:

- (1) The county department of social services which the director represents, or the child-placing agency, to whom surrender and consent has been given, shall have legal custody of the child and the rights of the consenting parties, except inheritance rights, until entry of the interlocutory decree provided for in G.S. 48-17, or until the final order of adoption is entered if the interlocutory decree is waived by the court in accordance with G.S. 48-21, or until consent is revoked within the time permitted by law, or unless otherwise ordered by a court of competent jurisdiction. A county department of social services having custody of the child shall pay the costs of the care of the child prior to placement for adoption.
- (2) Upon receipt of written notice from a county department of social services or duly licensed adoption agency which has accepted surrender, release and consent to adoption, that a child is unadoptable for physical, mental, or other causes, the county department of social services of the child's legal settlement at the time of the child's birth shall assume custody and full responsibility for the care of the child and shall acknowledge acceptance of custody and responsibility in writing to the notifying agency. Certified copies of the notice and acceptance shall be filed by the county department of social services with the Department of Human Resources. Such transfer of custody of the child shall be accompanied by the surrender, release and consent and the county department of social services shall thereafter have the same authority to place the child and give consent for his adoption as given to the original agency. In the event of controversy as to the county of the child's legal settlement at the time of his birth, any court assuming jurisdiction over the controversy shall determine which county department of social services shall be responsible for the care and custody of the child in accordance with the provisions of G.S. 7A-286(2)c. The county of the child's settlement at the time of his birth shall be deemed the county of residence of the child for the purpose of making appropriate disposition of the child under G.S. 7A-286(2)c. If the court shall award custody of the child to a county department of social services, the court shall order the child-placing agency to deliver the surrender and consent in its possession to the county department of social services to which custody of the child has been given. The county department of social services, upon receiving custody of the child and



the surrender and consent, shall have authority to give consent to the adoption of the child as in the case of surrender and consent given initially to a director of social services. The agency or director of social services having the surrender, release and consent and the custody of the child may make mutually voluntary placement of the child with one or more of those who surrendered the child, as to the agency or director may seem in the best interest of the child and the parties to the surrender, provided the placement is approved by a court of competent jurisdiction. (1967, c. 926, s. 1; 1969, c. 911, s. 9; c. 982; 1973, c. 476, s. 138.)

**Editor's Note.** — Section 3, c. 926, Session Laws 1967, provides that the act shall be effective on and after July 1, 1967.

The 1969 amendment substituted "G.S. 7A-286(2)c" for "G.S. 110-29 (3)" in two places in subdivision (2).

Session Laws 1969, c. 911, s. 11, provides: "This act shall be effective January 1, 1970, provided that in those districts where the district court is not yet established, the courts exercising juvenile jurisdiction on the effective date shall continue to exercise juvenile jurisdiction until the district court is established."

The 1973 amendment, effective July 1, 1973, substituted "Department of Human Resources" for "State Department of Public Welfare" in subdivision (2).

**Consent is essential to an order of adoption.** — In re Adoption of Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**But Might Sometimes Be Withheld.** — The General Assembly recognizes that there are cases in which consent might be and sometimes should be withheld by the person or agency qualified to give consent. In re Adoption of Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**Consent may not be unreasonably and unjustly withheld.** In re Adoption of Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**Or Court May Order Adoption to Proceed without Agency's Consent.** — Should a court

find that an agency has unreasonably withheld its consent, the court has the right to order that the adoption proceed without the written consent of the agency — resulting, as a practical matter, in the adoption of the child proceeding with the consent of the court substituted for the consent of the agency. In re Adoption of Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

If a court shall find that a failure to grant the petition for adoption would be inimical to the best interests and welfare of the child, it may proceed as if the consent which it finds ought to have been given has been given. In re Adoption of Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**Agency's Consent Is Simply Additional Safeguard.** — The consent of those in custody of the child under statutory provisions, unlike the absolute required consent of competent natural parents, is simply an additional safeguard to the welfare and best interests of the child. In re Adoption of Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**Legitimation Proceeding Has No Effect upon Prior Consent to Adoption.** — A legitimation proceeding brought under § 49-10 by the putative father of a child born out of wedlock, wherein the child is declared legitimate, has no effect upon the prior written consent to adoption given by the unwed mother under § 48-6. In re Doe, 11 N.C. App. 560, 181 S.E.2d 760 (1971).

**§ 48-9.2. Foreign order of adoption in lieu of consent.** — Where a child has been previously adopted in a foreign country by petitioners seeking to readopt the child under the laws of North Carolina, the adoption order entered in the foreign country may be accepted in lieu of the consent of the natural parent or parents or the guardian of the person of the child to said readoption. (1975, c. 262.)

**§ 48-12. Nature of proceeding; venue.** — (a) Adoption shall be by a special proceeding before the clerk of the superior court. The petition may be filed in the county:

- (1) Where the petitioners reside; or
- (2) Where the child resides; or
- (3) Where the child resided when it became a public charge; or



- (4) In which is located any licensed child-placing agency or institution operating under the laws of this State and having custody of the child or to which the child shall have been surrendered as provided in G.S. 48-9.
- (b) The petition may be filed and the proceeding may be completed in any other county unless a parent or guardian of the person or other person having actual or legal custody of the child to be adopted shall file a written objection with the clerk within 30 days after the filing of the petition for adoption or within 30 days after the completion of any notice required by this Chapter to be given to the person filing such objection.
- (c) In the event of the filing of an objection in accordance with subsection (b), venue shall thenceforth be as described in subsection (a) and the clerk shall transmit forthwith all documents, reports and papers on file or thereafter filed with him concerning the proceeding to such clerk of court as shall be designated in writing by the petitioner or petitioners. The status of the proceeding then shall be for all purposes the same as if all things done in the proceeding had been done in the court of adoptions to which the proceeding has been removed in accordance with this subsection. (1949, c. 300; 1971, c. 233, s. 1.)

**Editor's Note.** —  
The 1971 amendment designated the former section as subsection (a) and added subsections (b) and (c).  
Section 2, c. 233, Session Laws 1971, provides: "This act shall apply to pending proceedings. Notwithstanding the time period provisions in G. S. 48-12 (b) as rewritten, written objections need not be filed earlier than 30 days after the date of ratification." The act was ratified on April 27, 1971.  
The adoption of children is purely a statutory procedure. In re Adoption of

Daughtridge, 25 N.C. App. 141, 212 S.E.2d 519 (1975).  
**Venue Provisions Are Mandatory; Venue Requirements May Not Be Waived.** — See opinion of Attorney General to Mrs. Joan C. Holland, Supervisor of Adoptions, Department of Social Services, 41 N.C.A.G. 180 (1970).  
**Venue Provisions of Subsection (a) Are Not Mandatory Except When Objection Is Filed under Subsection (b).** — See opinion of Attorney General to Mr. Robert M. Blackburn, 43 N.C.A.G. 122 (1973).

§ 48-15. **Petition for adoption.** — (a) The caption of the petition shall be substantially as follows:

STATE OF NORTH CAROLINA  
IN THE SUPERIOR COURT  
..... COUNTY  
BEFORE THE CLERK

(Full name of adopting father)	}	PETITION FOR ADOPTION
and		
(Full name of adopting mother)		
FOR THE ADOPTION OF		
(Full name of child as used in proceeding)		

- (b) The petition may be prepared on a standard form to be supplied by the Department of Human Resources, or may be typewritten, giving all the information hereinafter required.
- (c) Such petition must state:
  - (1) The full names of the petitioners;
  - (2) The information necessary to show that the court to which the petition is addressed has jurisdiction;
  - (3) When the petitioners acquired custody of the child, and from what person or agency;



- (4) The birth date and state or county of birth of the child, if known;
- (5) The name used for the child in the proceeding;
- (6) That it is the desire of the petitioners that the relationship of parent and child be established between them and said child;
- (7) Their desire, if they have such, that the name of the child be changed together with the new name desired;
- (8) The desire of the petitioners that the said child shall, upon adoption, inherit real and personal property in accordance with the statutes of descent and distribution;
- (9) The value of the personal property and of the real estate owned by the child as far as can be ascertained;
- (10) That the petitioners are fit persons to have the care and custody of the child;
- (11) That they are financially able to provide for him; and
- (12) That there has been full compliance with the law in regard to consent to adoption.

(d) The petition must be signed and verified by the petitioners and must be filed in triplicate. The original of the petition shall be held in the office of the clerk of the superior court, a copy sent to the Department of Human Resources, and a copy sent to the director of social services or to the licensed child-placing agency concerned with the order of reference.

(e) The names of the adopting parents must be indexed on the plaintiffs' or petitioners' side of the cross-index of special proceedings. The child's name as used in the proceeding must be indexed on the defendants' or respondents' side of such index. (1949, c. 300; 1961, c. 186; 1969, c. 982; 1973, c. 476, s. 138.)

**Editor's Note.** — The 1973 amendment, effective July 1, 1973, substituted "Department of Human Resources" for "State Board of Public Welfare" in subsections (b) and (d).

**§ 48-16. Investigation of conditions and antecedents of child and of suitability of foster home.** — (a) Upon the filing of a petition for adoption the court shall order the county director of social services, or a licensed child-placing agency through its authorized representative, to investigate the condition and antecedents of the child for the purpose of ascertaining whether he is a proper subject for adoption, to make appropriate inquiry to determine whether the proposed foster home is a suitable one for the child, and to investigate any other circumstances or conditions which may have a bearing on the adoption and of which the court should have knowledge.

(b) The court may order the director of social services of one county to make an investigation of the condition and antecedents of the child and the director of social services of another county or counties to make any other part of the necessary investigation.

(c) The county director or directors of social services of the authorized representative of such agency described hereinbefore must make a written report within sixty days of his or their findings, on a standard form or following an outline supplied by the Department of Human Resources for examination by the court of adoption. Such report shall be filed with the clerk as a part of the official papers in the adoption proceeding but shall not be retained permanently in the office of the clerk. The clerk shall in no wise be responsible for the permanent custody of the report and said report shall not be open to public inspection except upon order of the court as provided in G.S. 48-26. (1949, c. 300; 1961, c. 186; 1969, c. 982; 1973, c. 476, s. 138.)

**Editor's Note.** — The 1973 amendment, effective July 1, 1973, substituted "Department of Human Resources" for "State Board of Public Welfare" in subsection (c).



**§ 48-19. Report on placement after interlocutory decree.** — When the court enters an interlocutory decree of adoption, it must order the county director of social services or a licensed child-placing agency through its duly authorized representative to supervise the child in its adoptive home and report to the court on the placement on a standard form or following an outline supplied by the Department of Human Resources, such report being for examination by the court before entering any final order. (1949, c. 300; 1961, c. 186; 1969, c. 982; 1973, c. 476, s. 138.)

**Editor's Note.** — The 1973 amendment, effective July 1, 1973, substituted "Department of Human Resources" for "State Board of Public Welfare."

**§ 48-20. Dismissal of proceeding.** — (a) If at any time between the filing of a petition and the issuance of the final order completing the adoption it is made known to the court that circumstances are such that the child should not be given in adoption to the petitioners, the court may dismiss the proceeding.

(b) The court before entering an order to dismiss the proceeding must give notice of not less than five days of the motion to dismiss to the petitioners, to the county director of social services or licensed child-placing agency having made the investigation provided for in G.S. 48-16, and to the Department of Human Resources, and they shall be entitled to a hearing to admit or refute the facts upon which the impending action of the court is based.

(c) Upon dismissal of an adoption proceeding, the custody of the child shall revert to the county director of social services or licensed child-placing agency having custody immediately before the filing of the petition. If the placement of the child was made by its natural parents directly with the adoptive parents, the director of social services of the county in which the petition was filed shall be notified by the court of such dismissal and said director of social services shall be responsible for taking appropriate action for the protection of the child. (1949, c. 300; 1961, c. 186; 1969, c. 982; 1973, c. 476, s. 138.)

**Editor's Note.** — The 1973 amendment, effective July 1, 1973, substituted "Department of Human Resources" for "State Board of Public Welfare" in subsection (b).

**Adoption May Only Be Dismissed Pursuant to This Section.** — See opinion of Attorney General to Dr. Renee Westcott, Department of Social Services, 43 N.C.A.G. 296 (1974).

**§ 48-21. Final order of adoption; termination of proceeding within three years.**

(c) Upon examination of the written report required under G.S. 48-16, the court may, in its discretion, waive the entering of the interlocutory decree and the probationary period and grant a final order of adoption when one of the petitioners is the putative father of the child and the petitioners file with the court the affidavit described in G.S. 48-4(d) or when the child is by blood a grandchild, great grandchild, nephew or niece, grandnephew or grandniece, brother or sister, half brother or half sister, of one of the petitioners or is the natural child or the stepchild of the petitioner, or where the child is at least 12 years of age and has resided in the home of the petitioners for five years prior to the filing of the petition and consents to the adoption as provided in G.S. 48-10. (1967, c. 19; c. 619, s. 4; 1973, c. 1354, s. 6.)

**Editor's Note.** — The first 1967 amendment inserted, in subsection (c), "brother or sister, half brother or half sister." The amendment also substituted "12" for "sixteen" in the provision in subsection (c) as to adoption of a child who has

resided in the home of the petitioners for five years and consents to the adoption.

The second 1967 amendment, effective July 1, 1967, inserted in subsection (c) "when one of the petitioners is the putative father of the child and



the petitioners file with the court the affidavit described in G.S. 48-4(d) or."

The 1973 amendment inserted "the natural child or" near the end of subsection (c).

As the rest of the section was not changed by the amendments, only subsection (c) is set out.

## § 48-22. Contents of final order.

**Editor's Note.** — Session Laws 1973, c. 476, s. 138, effective July 1, 1973, amends this section by substituting "Department of Human

**A superior court judge, etc. —**

In accord with original. See *In re Adoption of Daughtridge*, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

## § 48-23. Legal effect of final order.

- (2) The natural parents of the person adopted, if living, shall, from and after the entry of the final order of adoption, be relieved of all legal duties and obligations due from them to the person adopted, and shall be divested of all rights with respect to such person. This section shall not affect the duties, obligations, and rights of a putative father who has adopted his own child.

(1967, c. 619, s. 5.)

**Editor's Note.** —

The 1967 amendment, effective July 1, 1967, added the second sentence of subdivision (2).

As the rest of the section was not changed by the amendment, only subdivision (2) is set out.

**Right of Adopted Child to Inherit.** —

The right of the adopted child to inherit, through the statutes of descent and distribution, from her adoptive parent or, through such parent, from that parent's intestate ancestor or collateral relative, is given her by this section. *Peele v. Finch*, 284 N.C. 375, 200 S.E.2d 635 (1973).

**Right of Adopted Child to Take under Will.**

— Whether the adopted child takes under the will of her adoptive mother's father depends upon whether she is "issue" of her parent within the meaning of the will. *Peele v. Finch*, 284 N.C. 375, 200 S.E.2d 635 (1973).

The adopted child takes under a limitation to a "child" unless a contrary intent plainly appears by the terms of the will or conveyance. *Peele v. Finch*, 284 N.C. 375, 200 S.E.2d 635 (1973).

**Adoption Terminates Rights of Natural Parents.** — A final decree of adoption for life terminates the relationship between the natural parents and the child, and the natural parents are divested of all rights with respect to the child. *Rhodes v. Henderson*, 14 N.C. App. 404, 188 S.E.2d 565 (1972).

The right of the natural mother after she has permitted the child's adoption by others, is no greater than that of a stranger to the child.

**Resources**' for "State Board of Public Welfare" in subsection (a).

*Rhodes v. Henderson*, 14 N.C. App. 404, 188 S.E.2d 565 (1972).

**Subdivision (3) does not abolish the rule that the intent of the testator controls the construction of his will.** *Peele v. Finch*, 284 N.C. 375, 200 S.E.2d 635 (1973).

**Where nothing in the devise made by a will throws any light whatever upon testator's intent,** courts must by this section hold that an adopted child is "issue" within the meaning of this will and takes thereunder a share in the proceeds of the land devised. *Peele v. Finch*, 284 N.C. 375, 200 S.E.2d 635 (1973).

**Legislative Purpose in Adding Subdivision (3).** — The purpose of the legislature in adding to this section subdivision (3), enacted almost immediately after the decision in *Thomas v. Thomas*, 258 N.C. 590, 129 S.E.2d 239 (1963), was to change the law as there declared. *Peele v. Finch*, 284 N.C. 375, 200 S.E.2d 635 (1973).

**The terms of subdivision (3) being clear,** no construction of its provisions by the Supreme Court is required. *Peele v. Finch*, 284 N.C. 375, 200 S.E.2d 635 (1973).

**Duty of Supreme Court in Applying Subdivision (3).** — See *Peele v. Finch*, 284 N.C. 375, 200 S.E.2d 635 (1973).

**Enactment of Subdivision (3) Is within Legislature's Power.** — See *Peele v. Finch*, 284 N.C. 375, 200 S.E.2d 635 (1973).

**Cited in** *De Lotbiniere v. Wachovia Bank & Trust Co.*, 2 N.C. App. 252, 163 S.E.2d 59 (1968).



**§ 48-24. Recordation of adoption proceedings.** — (a) Only the final order of adoption or the final order dismissing the proceeding, and no other papers relating to the proceeding, shall be recorded in the office of the clerk of the superior court in the county in which the adoption takes place.

(b) A copy of the petition, any affidavit filed in accordance with G.S. 48-4(d), the consent, the report on the condition and antecedents of the child and the suitability of the foster home, a copy of the interlocutory decree, the report on the placement, and a copy of the final order must be sent by the clerk of the superior court to the Department of Human Resources in the following order:

- (1) Within 10 days after the petition is filed with the clerk of the superior court, a copy of the petition giving the date of the filing of the original petition, any affidavit filed in accordance with G.S. 48-4(d), and the consent must be filed by the clerk with the Department of Human Resources.
- (2) Within 10 days after an interlocutory decree is entered, a copy of the interlocutory decree giving the date of the issuance of the decree and the report to the court on the condition and antecedents of the child and the suitability of the foster home must be filed by the clerk with the Department of Human Resources. When the interlocutory decree is waived, as provided in G.S. 48-21 the said report and the recommendation to waive the interlocutory decree shall be so filed by the clerk.
- (3) Within 10 days after the final order of adoption is made the clerk must file with the Department of Human Resources the report on the supervision of the placement during the interlocutory period, and a copy of the final order.

(c) The said Department of Human Resources must cause all papers and reports related to the proceeding to be permanently indexed and filed. (1949, c. 300; 1967, c. 619, ss. 6, 7; 1969, c. 982; 1973, c. 476, s. 138.)

**Editor's Note.** — The 1967 amendment, effective July 1, 1967, inserted "any affidavit filed in accordance with G.S. 48-4(d)" in the opening paragraph of subsection (b) and in subdivision (1) of subsection (b).

The 1973 amendment, effective July 1, 1973, substituted "Department of Human Resources" for "State Board of Public Welfare" in four places and for "Board" in one place.

**§ 48-25. Record and information not to be made public; violation a misdemeanor.** — (a) Neither the original file of the proceeding in the office of the clerk nor the recording of the proceeding by the Department of Human Resources shall be open for general public inspection.

(b) With the exception of the information contained in the final order, it shall be a misdemeanor for any person having charge of the file or the record to disclose, except as provided in G.S. 48-26, and as may be required under the provisions of G.S. 48-27, any information concerning the contents of any papers in the proceeding.

(c) No director of social services or any employee of a social services department nor a duly licensed child-placing agency or any of its employees, officers, directors or trustees shall be required to disclose any information, written or verbal, relating to any child or to its natural, legal or adoptive parents, acquired in the contemplation of an adoption of the child, except by order of the clerk of the superior court of original jurisdiction of the adoption, approved by order of a judge of that court, upon motion and after due notice of hearing thereupon given to the director of social services or child-placing agency; provided, however, that every director of social services and child-placing agency shall make to the court all reports required under the provisions of G.S. 48-16



and 48-19. (1949, c. 300; 1957, c. 778, s. 7; 1961, c. 186; 1969, c. 982; 1973, c. 476, s. 138.)

**Editor's Note.** — The 1973 amendment, effective July 1, 1973, substituted "Department of Human Resources" for "State Board of Public Welfare" in subsection (a).

### § 48-27. Procedure when appeal is taken.

**A superior court judge, etc. —**

In accord with original. See *In re Adoption of*

*Daughtridge*, 25 N.C. App. 141, 212 S.E.2d 519 (1975).

**§ 48-29. Change of name; report to State Registrar; new birth certificate to be made.** — (a) For proper cause the court may decree that the name of the child shall be changed to such name as may be prayed in the adoption petition or in a petition subsequently filed with the court by the adoptive parents, but in the case of any child who has reached the age of 18 years, the child's written consent to the change of name also must be filed with the clerk. When the name of any child is so changed, the court shall forthwith report such change to the Department of Human Resources. Upon receipt of the report, the State Registrar of the Department of Human Resources shall prepare a new birth certificate for the child named in the report which shall contain the following information: full adoptive name of child, sex, date of birth, race of adoptive parents, full name of adoptive father, full maiden name of adoptive mother, and such other pertinent information not inconsistent herewith as may be determined by the State Registrar. The city and county of residence of the adoptive parents at the time the petition is filed shall be shown as the place of birth, and the names of the attending physician and the local registrar shall be omitted: Provided, that when the adoptive parents reside in another state at the time the petition is filed the city and county of birth of the child shall be the same on the new birth certificate as on the original certificate. No reference shall be made on the new certificate to the adoption of the child, nor shall the adopting parents be referred to as foster parents.

(b) The State Registrar shall place the original certificate of birth and all papers in his hand pertaining to the adoption under seal which shall not be broken except in the manner provided in G.S. 48-26 for the opening of the record of adoption. Thereafter when a certified copy of the certificate of birth of such person is issued it shall be in the form of a birth registration card containing only the full name, birth date, city and county of birth as shown on the new certificate, sex, date of filing, and birth certificate number, except when an order of a court shall direct the issuance of a copy of the original certificate of birth in the manner hereinbefore provided. When one of the adoptive parents of the child, or the child, shall so request, a full copy of the new certificate prepared in accordance with subsection (a) may be issued.

(c) The State Registrar shall not issue to registers of deeds copies of birth certificates for adopted children. Certified copies of such record shall be issued by the Department of Human Resources only, and such copies shall be prepared in accordance with subsection (b). This section shall not be construed to prohibit issuance of copies of certificates now on file in the office of the register of deeds.

(d) Repealed by Session Laws 1973, c. 849, s. 2.

(e) The foregoing provisions to the contrary notwithstanding, the place of birth of any child adopted by a spouse of a natural parent of that child shall be the same on the new birth certificate as on the original certificate when the adoptive parent so requests. (1949, c. 300; 1951, c. 730, ss. 1-4; 1955, c. 951, s.



1; 1967, c. 1042, ss. 1-3; 1969, c. 21, s. 2; c. 977; 1971, c. 1231, s. 1; 1973, c. 476, s. 128; c. 849, ss. 1, 2.)

**Editor's Note.** — The 1967 amendment deleted "shown" following "cause" near the beginning of the first sentence in subsection (a), inserted "adoption" preceding the first "petition" in that sentence, added "or in a petition subsequently filed with the court by the adoptive parents" near the middle of such sentence, added "except as otherwise provided in subsection (d)" at the end of the fourth sentence in subsection (a), which language was deleted by the second 1973 amendment, and added subsection (d), repealed by the second 1973 amendment.

Section 3½ of c. 1042, Session Laws 1967, provides that sections 2 and 3 of the act (adding the exception at the end of the fourth sentence in subsection (a) and adding subsection (d), respectively) "shall apply only to the birth certificate of the child whose adoption is recorded under North Carolina Index Number 16429 in the files of the State Department of Public Welfare."

The first 1969 amendment, effective July 1, 1969, added at the end of the first sentence in

subsection (a) the provisions as to a child who has reached the age of 21 (now 18).

The second 1969 amendment added subsection (e).

Session Laws 1969, c. 21, s. 1, effective July 1, 1969, provides that the act shall be known as the Adopted Persons' Change of Name Act of 1969.

The 1971 amendment substituted "18" for "twenty-one (21)" in the first sentence of subsection (a).

The first 1973 amendment, effective July 1, 1973, substituted "Department of Human Resources" for "Office of Vital Statistics of the State Board of Health," and for "Office of Vital Statistics" in subsection (a), and for "State Board of Health" in subsection (c).

The second 1973 amendment deleted "except as otherwise provided in subsection (d)" at the end of the next-to-last sentence of subsection (a), deleted "race," between "certificate," and "sex" in the second sentence of subsection (b) and repealed subsection (d), relating to children born outside the State.

## § 48-30. Guardian appointed when custody granted of child with estate.

**Opinions of Attorney General.** — Mr. Louis O'Conner, Jr., Director, Welfare Programs

Division, State Department of Social Services, 40 N.C.A.G. 650 (1969).

**§ 48-36. Adoption of persons who are 18 or more years of age; change of name; clerk's certificate and record; notation on birth certificate; new birth certificate.** — (a) Any person who is 18 or more years of age, or any two such persons who are lawfully married to each other, may petition the clerk of superior court that such person or persons be declared the adoptive parents of any other person who is 18 or more years of age who shall file with the clerk written consent to such adoption. The petitioners and the person to be adopted must have resided in North Carolina or on a federal territory therein for six months immediately preceding the filing of the petition. The petition and consent must be filed in the county where the person to be adopted resides. The clerk shall not enter any order granting the petition until it has been made to appear to him that one copy each of the petition and the consent have been posted at the courthouse door continuously for 10 days immediately preceding such order. For good cause shown, the clerk may issue an order declaring the petitioners to be the adoptive parents of the person consenting to be adopted.

(b) Upon entry of the order of adoption in accordance with the provisions of subsection (a) of this section, the rights, duties, and obligations of the adoptive parents and the person adopted shall be, in relation to each other, and in relation to all other persons, the same as if the adoption had been completed under the provisions of this Chapter other than those contained in this section, and as if the adoption had taken place immediately before the person adopted became 18 years of age; provided, however, the provisions of this section shall not relieve any person of any duty to support any other person, nor shall the provisions of



this section relieve any person of any criminal liability, arising under any other provision of law, for failure to provide support for any person.

(c) Except as provided in subsections (b), (d) and (e) of this section, the provisions of this Chapter which are not a part of this section shall not apply to the adoption of persons who are more than 18 years of age.

(d) Except in the case of a change of name in accordance with subsection (e) of this section, at the time of or subsequent to the entry of the order of adoption, the clerk may for proper cause shown and upon written application of the adoptive parents and the person adopted, issue an order changing the name of the person adopted from his true name to the name applied for. The order shall contain the true name, the county of birth, the date of birth, the full name of the person to be adopted, his county of birth, his date of birth, the full name of his parents as shown on his birth certificate, and the name sought to be adopted. The clerk shall issue to the person adopted a certificate under his hand and seal of office, stating the change made in the name, and shall record the applications and order on the docket of special proceedings in his court. He shall forward a copy of the change of name order to the State Registrar of Vital Statistics if the person adopted was born in North Carolina. Upon receipt of the order, the State Registrar shall note the change of name specified in the order on the birth certificate of the person adopted, and shall notify the register of deeds of the county of birth of the person adopted.

(e) If requested in the application for the change of name filed by the adoptive parents and the person adopted the clerk may, for good cause shown, before or after the entry of the order of adoption, decree a change of name in accordance with and subject to all the provisions of G.S. 48-29.

(f) Within 10 days after the order of adoption is entered, the clerk must file with the Department of Human Resources a copy of the petition giving the date of the filing of the original petition, the consent of the person sought to be adopted, and the order of adoption, and the Department of Human Resources must cause all papers pertaining to the proceeding to be permanently registered and filed. (1967, c. 880, s. 3; 1969, c. 21, ss. 3-6; 1971, c. 1231, s. 1; 1973, c. 849, s. 3; 1975, c. 91.)

**Editor's Note.** — Section 5, c. 880, Session Laws 1967, provides that the act shall be effective on and after July 1, 1967.

The 1969 amendment, effective July 1, 1969, inserted "(d) and (e)" near the beginning of subsection (c) and added subsections (d) and (e).

The 1971 amendment substituted "18" for "21" in two places in the first sentence of subsection (a), and in subsections (b) and (c).

The 1973 amendment deleted "except G.S. 48-29(d) relating to children born outside the State" at the end of subsection (e).

The 1975 amendment, effective July 1, 1975, added subsection (f).

Session Laws 1969, c. 21, s. 1, effective July 1, 1969, provides that the act shall be known as the Adopted Persons' Change of Name Act of 1969.

**§ 48-37. Compensation for placing or arranging placement of child for adoption prohibited.** — No person, agency, association, corporation, institution, society or other organization, except a licensed child-placing agency as defined by G.S. 48-2(2), or a county department of social services, shall offer or give, charge or accept any fee, compensation, consideration or thing of value for receiving or placing, arranging the placement of, or assisting in placing or arranging the placement of, any child for adoption. The act of preparing and filing the adoption proceeding before the court shall not be construed as receiving or placing, arranging the placement of, or assisting in placing or arranging the placement of, any child for adoption. Any person who violates any provision of this section shall be guilty of a misdemeanor, and upon conviction or plea of guilty shall be fined or imprisoned or both at the discretion of the court. Any person who is convicted of or pleads guilty to a second or subsequent violation of this section shall be guilty of a felony and shall be imprisoned for



not more than three years or fined not more than ten thousand dollars (\$10,000) or both at the discretion of the court. (1975, c. 335, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 335, s. 3, makes the act effective July 1, 1975.

**§ 48-38. Advertisements soliciting children for adoption prohibited.** — No person, agency, association, corporation, institution, society or other organization, except a licensed child-placing agency as defined in G.S. 48-2(2), or a county department of social services, shall publish, transmit, broadcast, or otherwise distribute any advertisement of any type whatsoever which solicits the receiving or placing of children for adoption, or which solicits the custody of children. Any person who violates any provision of this section shall be guilty of a misdemeanor and upon conviction or plea of guilty shall be fined or imprisoned or both at the discretion of the court. (1975, c. 335, s. 2.)

**Editor's Note.** — Session Laws 1975, c. 335, s. 3, makes the act effective July 1, 1975.

**§ 48-39. Purpose.** — It is the purpose of this Article to encourage, within the limits of available funds, the adoption of certain hard-to-place children in order to make it possible for children living in, or likely to be placed in foster homes or institutions, to benefit from the stability and security of permanent homes in which such children can receive continuous care, guidance, protection and love to reduce the number of such children who might be placed or remain in foster homes or institutions until they become adults. (1975, c. 953, s. 3.)

**Editor's Note.** — Session Laws 1975, c. 953, s. 4, makes this section effective July 1, 1975.

**§ 48-39.1. State Fund for Adoptive Children with Special Needs.** — (a) A fund, to be known as the "State Fund for Adoptive Children with Special Needs," shall be created from appropriations made by the General Assembly and from grants of the federal government when made available to the State. This fund shall be used exclusively for the purpose of meeting the needs of adoptive children who are physically or mentally handicapped, older, or otherwise hard to place for adoption.

(b) Financial assistance from the fund shall not be provided when the needed services are available free of cost to the adoptive child or are covered by an insurance policy of the adoptive parents. (1975, c. 953, s. 3.)

**Editor's Note.** — Session Laws 1975, c. 953, s. 4, makes this section effective July 1, 1975.

**§ 48-39.2. Eligibility.** — Eligibility for an adoptive child to receive assistance from the State Fund for Adoptive Children with Special Needs shall be determined by the Department of Human Resources under rules and regulations promulgated by the Social Services Commission. (1975, c. 953, s. 3.)

**Editor's Note.** — Session Laws 1975, c. 953, s. 4, makes this section effective July 1, 1975.



## Chapter 48A.

## Minors.

Sec.

48A-1. Common-law definition of "minor" abrogated.

Sec.

48A-2. Age of minors.

48A-3. Statute of limitations; applicability.

**Editor's Note.** — Session Laws 1971, c. 1231, s. 4, provides:

"The effective date of Chapter 585 of the Session Laws of 1971, entitled "An Act to Amend the General Statutes so as to Lower the Age of Majority in North Carolina to 18 Years of Age" is hereby declared to be July 5, 1971, the

date of the certification by the United States Administrator of General Services that the Twenty-Sixth Amendment to the United States Constitution had been ratified by the Legislatures of at least three-fourths of the states."

**§ 48A-1. Common-law definition of "minor" abrogated.** — The common-law definition of minor insofar as it pertains to the age of the minor is hereby repealed and abrogated. (1971, c. 585, s. 1.)

**"Minor" Now Refers to Age 18.** — When this section, which repeals the common-law definition of minor, is construed with § 48A-2, the effect is that wherever the term "minor," "minor child" or "minor children" is used in a statute the statute now refers to age 18. Crouch v. Crouch, 14 N.C. 49, 187 S.E.2d 348 (1972).

**Effect of Change from Minority to Majority.** — Change from minority to majority in legal effect means that legal disabilities designed to protect the child are removed. Shoaf v. Shoaf, 282 N.C. 287, 192 S.E.2d 299 (1972).

A person who has reached his majority is entitled to the management of his own affairs and to the enjoyment of civic rights. Shoaf v. Shoaf, 282 N.C. 287, 192 S.E.2d 299 (1972).

**§ 48A-2. Age of minors.** — A minor is any person who has not reached the age of 18 years. (1971, c. 585, s. 1.)

**"Minor" Now Refers to Age 18.** — When § 48A-1, which repeals the common-law definition of minor, is construed with this section, the effect is that wherever the term "minor," "minor child" or "minor children" is used in a statute, the statute now refers to age 18. Crouch v. Crouch, 14 N.C. App. 49, 187 S.E.2d 348 (1972).

**Legal Obligation of Support.** — After the enactment of this section, one's legal obligation to support his child ends at age 18, absent a showing that the child is insolvent, unmarried and physically or mentally incapable of earning a livelihood. Shoaf v. Shoaf, 14 N.C. App. 231, 188 S.E.2d 19 (1972); Nolan v. Nolan, 20 N.C. App. 550, 202 S.E.2d 344 (1974); Ramsey v. Todd, 25 N.C. App. 605, 214 S.E.2d 307 (1975).

**Majority or minority is a status rather than a fixed or vested right.** Shoaf v. Shoaf, 282 N.C. 287, 192 S.E.2d 299 (1972).

**There is no vested property right in the personal privileges of infancy.** Shoaf v. Shoaf, 282 N.C. 287, 192 S.E.2d 299 (1972).

**Applied in** Shoaf v. Shoaf, 14 N.C. App. 231, 188 S.E.2d 19 (1972); Choate v. Choate, 15 N.C. App. 89, 189 S.E.2d 647 (1972); Taylor v. Taylor, 17 N.C. App. 720, 195 S.E.2d 355 (1973).

**Quoted in** State v. Jackson, 280 N.C. 563, 187 S.E.2d 27 (1972); White v. White, 25 N.C. App. 150, 212 S.E.2d 511 (1975).

**Stated in** Hall v. Wake County Bd. of Elections, 280 N.C. 600, 187 S.E.2d 52 (1972).

A father's legal liability for the support of his son born on January 13, 1953, by reason of a consent judgment dated June 11, 1970, providing that payments for child support shall continue until such time as said minor child reaches his majority or is otherwise emancipated, does not continue until the son becomes 21 years of age. Shoaf v. Shoaf, 282 N.C. 287, 192 S.E.2d 299 (1972).

**Where judgment did not specify the duration of time that plaintiff would have to support his children,** it would appear that his obligation would continue for the period provided by law. Ramsey v. Todd, 25 N.C. App. 605, 214 S.E.2d 307 (1975).



A parent can by contract assume an obligation to his child greater than the law otherwise imposes, and by contract bind himself to support his child after emancipation and past majority. *Carpenter v. Carpenter*, 25 N.C. App. 235, 212 S.E.2d 911 (1975).

"Minor" Includes "Infant" within Context of Requirement That Guardianships Be Maintained for Infants (to Age 18). — See opinion of Attorney General to Mr. Fred P. Parker, Jr., 41 N.C.A.G. 450 (1971).

**Contract by Minor for Automobile Liability Insurance.** — Under this section and by negative implication of § 20-279.1, a person under the age of 18 is a minor for purposes of his contracts relating to automobile liability insurance. As such, if the contract of a minor for automobile liability insurance is not considered a necessity, it may be avoided by him at any time before he reaches his majority or within a

reasonable time thereafter. *Nationwide Mut. Ins. Co. v. Chantos*, 25 N.C. App. 482, 214 S.E.2d 438 (1975).

**Person 18 Years Old May Be Deputy or Assistant Register of Deeds.** — See opinion of Attorney General to Christine William Davis, 41 N.C.A.G. 476 (1971).

The legislature alone has power to determine the age at which one reaches his majority, becomes emancipated, and acquires the right to manage his own affairs free from parental control. *Shoaf v. Shoaf*, 282 N.C. 287, 192 S.E.2d 299 (1972).

**Applied** in *Shaw v. Shaw*, 25 N.C. App. 53, 212 S.E.2d 222 (1975).

**Quoted** in *State v. Jackson*, 280 N.C. 563, 187 S.E.2d 27 (1972); *White v. White*, 25 N.C. App. 150, 212 S.E.2d 511 (1975).

**Stated** in *Hall v. Wake County Bd. of Elections*, 280 N.C. 600, 187 S.E.2d 52 (1972).

**§ 48A-3. Statute of limitations; applicability.** — For purposes of determining the applicability of the statute of limitations which has been tolled because of minority or for purposes of determining the applicable period of time for disaffirmance of a contract of a minor upon reaching majority, because of a change in applicable law occasioned by enactment of this Chapter or Chapter 1231 of the 1971 Session Laws, the following rules shall apply:

- (1) For those persons who were 21 on the effective date of applicable law, limitations shall apply as they would prior to amendment;
- (2) For those persons 18 years of age but not 21 on the effective date of applicable law, any time periods for disaffirmance or application of the statute of limitations shall run from the effective date of this Chapter, to wit, July 5, 1971.
- (3) For those persons not yet 18, any time periods for disaffirmance or application of the statute of limitations shall run from the person's reaching age 18. (1971, c. 1231, s. 3.)



**Chapter 49.****Bastardy.****Article 1.****Support of Illegitimate Children.**

Sec.

49-5. Prosecution; indictments; death of mother no bar; determination of fatherhood.

49-7. Issues and orders.

**Article 2.****Legitimation of Illegitimate Children.**

49-10. Legitimation.

Sec.

49-13.1. Effect of legitimation on adoption consent.

**Article 3.****Civil Actions regarding Illegitimate Children.**

49-14. Civil action to establish paternity.

49-15. Custody and support of illegitimate children when paternity established.

49-16. Parties to proceeding.

**ARTICLE 1.*****Support of Illegitimate Children.*****§ 49-1. Title.****Editor's Note. —**

For note on illegitimacy in North Carolina, see 46 N.C.L. Rev. 813 (1968).

**§ 49-2. Nonsupport of illegitimate child by parents made misdemeanor.**

**Jurisdiction of District Court.** — The district court has exclusive original jurisdiction of misdemeanors, including action to determine liability of persons for the support of dependents in any criminal proceeding. *Cline v. Cline*, 6 N.C. App. 523, 170 S.E.2d 645 (1969).

**Purpose of Prosecution.** — The primary purpose of prosecution under the provisions of this section is to insure that the parent does not willfully neglect or refuse to support his or her illegitimate child. *State v. Green*, 8 N.C. App. 234, 174 S.E.2d 8 (1970).

**This Article does not require the continued life of the child as the basis for a prosecution under this section** and the death of the child does not abate or prevent a prosecution against the father of an illegitimate for his willful failure to support and maintain the child prior to its death. *State v. Fowler*, 277 N.C. 305, 177 S.E.2d 385 (1970).

When the death of the child makes a blood test impossible, the situation is analogous to that which occurs when an eyewitness to events constituting the basis for an indictment dies before the accused has interviewed him or taken his deposition and it would hardly be suggested that to try the defendant after the death of that witness would deprive him of due process and therefore the prosecution must be dismissed. *State v. Fowler*, 277 N.C. 305, 177 S.E.2d 385 (1970).

To hold that a prosecution under this section must be dismissed when the death of the child deprives the defendant of a blood test would be to attach to the test a significance which the legislature failed to give it. Even when a blood grouping test demonstrates nonpaternity the law does not make the test conclusive of that issue. A fortiori, the absence of a test, which — if made — would provide one falsely accused only an even chance to prove his nonpaternity, should not result in a dismissal of the action. *State v. Fowler*, 277 N.C. 305, 177 S.E.2d 385 (1970).

**Elements.** — For a defendant to be found guilty of the criminal offense created by this section, two facts must be established: First, that the defendant is a parent of the illegitimate child in question, who must be a person coming within the definition of a child as set forth in this section; and second, that the defendant has willfully neglected or refused to support and maintain such illegitimate child. In addition, if the defendant is the reputed father, it must be shown that the prosecution has been instituted within one of the time periods provided in § 49-4. *State v. Coffey*, 3 N.C. App. 133, 164 S.E.2d 39 (1968).

Under the provisions of this section the State must establish two facts in order for the defendant to be found guilty: (1) that the defendant is the parent of the illegitimate child in question and (2) that the defendant has



willfully neglected or refused to support and maintain such illegitimate child. *State v. Green*, 8 N.C. App. 234, 174 S.E.2d 8 (1970).

**Violation of Statute, etc. —**

The offense of nonsupport under this section is a continuing one. *State v. Coffey*, 3 N.C. App. 133, 164 S.E.2d 39 (1968).

**Affidavit Supporting Warrant Must Name Defendant. —** Where, in the affidavit upon which a warrant charging unlawful failure to support an illegitimate child is based, the name of the defendant does not appear, then the warrant does not charge the defendant with a crime, and judgment must be arrested. *State v. Satterfield*, 8 N.C. App. 597, 174 S.E.2d 640 (1970).

**A new warrant may be filed charging defendant with nonsupport**, if such has occurred after the issuance of the warrant on which he has been tried. *State v. Coffey*, 3 N.C. App. 133, 164 S.E.2d 39 (1968).

**The begetting of, etc. —**

Under this section the mere begetting of the child is not a crime. *State v. Coffey*, 3 N.C. App. 133, 164 S.E.2d 39 (1968); *State v. Ingle*, 20 N.C. App. 50, 200 S.E.2d 427 (1973).

The mere begetting of the child is not a crime. The question of paternity is incidental to the prosecution for the crime of nonsupport — a preliminary requisite to conviction. *State v. Green*, 8 N.C. App. 234, 174 S.E.2d 8 (1970).

**Nor is the failure, etc. —**

In accord with original. See *State v. Ingle*, 20 N.C. App. 50, 200 S.E.2d 427 (1973).

**Prosecution Is Grounded, etc. —**

The crime recognized by this section is the willful neglect or refusal of a parent to support his or her illegitimate child. *State v. Coffey*, 3 N.C. App. 133, 164 S.E.2d 39 (1968).

The only prosecution authorized by this Chapter is grounded on the willful neglect or refusal of any parent to support and maintain his or her illegitimate child — the paternity itself is no crime. *State v. Green*, 277 N.C. 188, 176 S.E.2d 756 (1970).

**The question of paternity, etc. —**

The question of paternity is incidental to the prosecution for the crime of nonsupport — a preliminary requisite to conviction. *State v. Coffey*, 3 N.C. App. 133, 164 S.E.2d 39 (1968).

The question of paternity is merely incidental to the prosecution for nonsupport and involves no punishment. *State v. Green*, 277 N.C. 188, 176 S.E.2d 756 (1970).

**The charge must be supported by the facts, etc. —**

In accord with original. See *State v. Ingle*, 20 N.C. App. 50, 200 S.E.2d 427 (1973).

**Demand for Support Must Have Been Made, etc. —**

In accord with original. See *State v. Ingle*, 20 N.C. App. 50, 200 S.E.2d 427 (1973).

**State Must Prove, etc. —**

In a prosecution under this section the burden

is upon the State upon defendant's plea of not guilty to prove not only that defendant is the father of the child and had refused or neglected to support the child, but further that his refusal or neglect was willful. *State v. Mason*, 268 N.C. 423, 150 S.E.2d 753 (1966).

In order for the State to make out a case for a violation of this section, the State must establish two things: (1) that the defendant is the parent of the child in question, and (2) that the defendant willfully neglected or refused to support and maintain the illegitimate child. *State v. Lynch*, 11 N.C. App. 432, 181 S.E.2d 186 (1971).

**But Paternity Need Not Be Relitigated, etc. —**

Once the question of paternity has been determined, the accused is not entitled to have the question of paternity relitigated upon a subsequent prosecution for later willful neglect or refusal to support his illegitimate children. *State v. Green*, 8 N.C. App. 234, 174 S.E.2d 8 (1970).

**Appointment of Counsel. —** A charge of willful failure to support illegitimate children is not a "serious misdemeanor" requiring the appointment of counsel or an intelligent waiver thereof under the Sixth and Fourteenth Amendments to the United States Constitution. *State v. Green*, 8 N.C. App. 234, 174 S.E.2d 8 (1970); *State v. Green*, 277 N.C. 188, 176 S.E.2d 756 (1970).

One charged with a violation of this section is not charged with a "serious offense" requiring appointment of counsel for indigent defendants or intelligent waiver thereof. *State v. Green*, 277 N.C. 188, 176 S.E.2d 756 (1970).

**Instruction as to Willfulness. —**

In a prosecution under this section an instruction that the jury should find defendant guilty if it found from the evidence beyond a reasonable doubt that defendant was the father of the child, without submitting the question of whether defendant willfully refused to support the child, must be held for prejudicial error. *State v. Mason*, 268 N.C. 423, 150 S.E.2d 753 (1966).

**Submission of Interrogatories or Issues Is Approved. —** The submission of interrogatories or issues in criminal prosecutions under this section is now the approved practice, the questions and answers being treated as a special verdict. *State v. McKee*, 269 N.C. 280, 152 S.E.2d 204 (1967).

The practice of submitting written issues in cases charging violation of this section is strongly commended. *State v. Lynch*, 11 N.C. App. 432, 181 S.E.2d 186 (1971).

**Punishment. —** The only punishment authorized by law for the willful failure or neglect to support an illegitimate child is found in § 49-8 and is limited at most to six months in prison. *State v. Green*, 277 N.C. 188, 176 S.E.2d 756 (1970).



**Support payments under this section are not part of the punishment.** All men have a moral duty to support their children — legitimate or illegitimate — and this section makes this moral obligation legal and enforceable with respect to illegitimate children. *State v. Green*, 277 N.C. 188, 176 S.E.2d 756 (1970).

**Applied** in *State v. Cooke*, 268 N.C. 201, 150 S.E.2d 226 (1966); *State v. Fowler*, 9 N.C. App. 64, 175 S.E.2d 331 (1970).

**Cited** in *In re Custody of Owenby*, 3 N.C. App. 53, 164 S.E.2d 55 (1968); *Wright v. Wright*, 281 N.C. 159, 188 S.E.2d 317 (1972).

#### § 49-4. When prosecution may be commenced.

**Proof Required under Subdivision (3).** — Where the prosecution was not begun within three years next after the birth, neither was paternity judicially determined within that time, the State must meet the requirements of subdivision (3) of this section and prove not only that defendant made payments for the child's

support within the three years next after its birth but also that the warrant was issued within three years from the date of the last payment. *State v. McKee*, 269 N.C. 280, 152 S.E.2d 204 (1967).

**Cited** in *State v. Coffey*, 3 N.C. App. 133, 164 S.E.2d 39 (1968).

**§ 49-5. Prosecution; indictments; death of mother no bar; determination of fatherhood.** — Proceedings under this Article may be brought by the mother or her personal representative, or, if the child is likely to become a public charge, the director of public welfare or such person as by law performs the duties of such official in said county where the mother resides or the child is found. Indictments under this Article may be returned in the county where the mother resides or is found, or in the county where putative father resides or is found, or in the county where the child is found. The fact that the child was born outside of the State of North Carolina shall not be a bar to indictment of the putative father in any county where he resides or is found, or in the county where the mother resides or the child is found. The death of the mother shall in nowise affect any proceedings under this Article. Preliminary proceedings under this Article to determine the paternity of the child may be instituted prior to the birth of the child but when the judge or court trying the issue of paternity deems it proper, he may continue the case until the woman is delivered of the child. When a continuance is granted, the courts shall recognize the person accused of being the father of the child with surety for his appearance, either at the next session of the court or at a time to be fixed by the judge or court granting a continuance, which shall be after the delivery of the child. (1933, c. 228, s. 4; 1961, c. 186; 1971, c. 1185, s. 18.)

#### **Editor's Note.** —

The 1971 amendment, effective Oct. 1, 1971, substituted "session" for "term" in the last sentence.

**§ 49-7. Issues and orders.** — The court before which the matter may be brought shall determine whether or not the defendant is a parent of the child on whose behalf the proceeding is instituted. After this matter has been determined in the affirmative, the court shall proceed to determine the issue as to whether or not the defendant has neglected or refused to support and maintain the child who is the subject of the proceeding. After this matter shall have been determined in the affirmative, the court shall fix by order, subject to modification or increase from time to time, a specific sum of money necessary for the support and maintenance of the particular child who is the object of the proceedings. The court in fixing this sum shall take into account the circumstances of the case, the financial ability to pay and earning capacity of the defendant, and his or her willingness to cooperate for the welfare of the



child. The order fixing the sum shall require the defendant to pay it either as a lump sum or in periodic payments as the circumstances of the case may appear to the court to require. Compliance by the defendant with any or all of the further provisions of this Article or the order or orders of the court requiring additional acts to be performed by the defendant shall not be construed to relieve the defendant of his or her responsibility to pay the sum fixed or any modification or increase thereof.

The court before whom the matter may be brought on motion of the defendant, shall direct an order that the defendant, the mother, and the child shall submit to a blood-grouping test; and the court in its discretion may require the person requesting a blood-grouping test to pay the cost thereof. The result of any such blood-grouping test shall be admitted in evidence when offered by a duly licensed practicing physician or duly qualified person, and the evidentiary effect of such blood-grouping test shall be as prescribed in G.S. 8-50.1, and, if a jury shall try the issue, it shall be instructed as set out therein. From a finding of the issue of paternity against the defendant, the defendant shall have the same right of appeal as though he had been found guilty of the crime of willful failure to support a bastard child. (1933, c. 228, s. 6; 1937, c. 432, s. 2; 1939, c. 217, ss. 1, 4; 1945, c. 40; 1947, c. 1014; 1971, c. 1185, s. 19; 1975, c. 449, s. 3.)

#### Editor's Note. —

The 1971 amendment, effective Oct. 1, 1971, deleted a former first paragraph.

The 1975 amendment rewrote the second paragraph so as to insert the provisions as to the evidentiary effect of a blood-grouping test and the requirement that the jury be instructed as set out in § 8-50.1.

**The proviso in this section was not repealed** either expressly or by implication by enactment of § 7A-288. The two statutes, when properly construed together, are not inconsistent. *State v. Coffey*, 3 N.C. App. 133, 164 S.E.2d 39 (1968).

**Test as Evidence of Nonpaternity — Former Law.** — Before the 1975 amendments thereto, this section and § 8-50.1 did not make the blood test which established nonpaternity conclusive of that issue but merely provided that the results of such test when offered by a duly qualified person should be admitted in evidence. Thus the legislative intent was that the jury should consider the test results, whatever they might show, along with all the other evidence in determining the issue of paternity. *State v. Fowler*, 277 N.C. 305, 177 S.E.2d 385 (1970); *State v. Camp*, 286 N.C. 148, 209 S.E.2d 754 (1974).

**A defendant's right to a blood test to determine parentage** is a substantial right and, upon defendant's motion, the court must order the test when it is possible to do so. *State v. Fowler*, 277 N.C. 305, 177 S.E.2d 385 (1970).

**The value of serological blood tests**, when made and interpreted by specifically qualified technicians, using approved testing procedures and reagents of standard strength, is now generally recognized. Such tests, however, can never prove the paternity of any individual, and they cannot always exclude the possibility. Nevertheless, in a significant number of cases,

they can disprove it. *State v. Fowler*, 277 N.C. 305, 177 S.E.2d 385 (1970).

The result of a blood test to determine parentage will be either "exclusion of paternity demonstrated" or "exclusion of paternity not possible." It has been estimated that by tests, based upon each of three blood-type classifications, A-B-O, M-N, and Rh-hr, a man falsely accused has a 50-55% chance of proving his nonpaternity. *State v. Fowler*, 277 N.C. 305, 177 S.E.2d 385 (1970).

The blood grouping test results are conclusive only in excluding the putative father. The results might show him to have a blood type which the father of the child must have had; but this only indicates that of all the people of that blood type or group, he, as well as anyone else with that blood type or group, could have been the father of the child. *State v. Fowler*, 277 N.C. 305, 177 S.E.2d 385 (1970).

#### Attacking Results of Blood Grouping Tests.

— The only areas in which the results of blood grouping tests should be open to attack are in the method of testing or in the qualifications of the persons performing the tests. *State v. Fowler*, 277 N.C. 305, 177 S.E.2d 385 (1970).

**It is for the General Assembly to decide the question of the weight to be given blood-grouping tests.** *State v. Camp*, 286 N.C. 148, 209 S.E.2d 754 (1974).

**Death of Child Making Blood Test Impossible.** — When the death of the child makes a blood test impossible the situation is analogous to that which occurs when an eyewitness to events constituting the basis for an indictment dies before the accused has interviewed him or taken his deposition. It would hardly be suggested that to try the defendant after the death of that witness would deprive him of due process and that therefore the



prosecution must be dismissed. *State v. Fowler*, 277 N.C. 305, 177 S.E.2d 385 (1970).

To hold that a prosecution under § 49-2 must be dismissed when the death of the child deprives the defendant of a blood test would be to attach to the test a significance which the legislature failed to give it. Even when a blood grouping test demonstrates nonpaternity, the law does not make the test conclusive of that issue. A fortiori, the absence of a test, which — if made — would provide one falsely accused only an even chance to prove his nonpaternity, should not result in a dismissal of the action.

*State v. Fowler*, 277 N.C. 305, 177 S.E.2d 385 (1970).

**An infant's blood group cannot always be established immediately after birth**, but by the age of six months, an accurate determination can always be had. *State v. Fowler*, 277 N.C. 305, 177 S.E.2d 385 (1970).

**Applied in** *State v. Fowler*, 9 N.C. App. 64, 175 S.E.2d 331 (1970).

**Stated in** *State v. Green*, 277 N.C. 188, 176 S.E.2d 756 (1970).

**Cited in** *State v. Green*, 8 N.C. App. 234, 174 S.E.2d 8 (1970).

## § 49-8. Power of court to modify orders; suspend sentence, etc.

**Local Modification.** — Person: 1967, c. 848, s. 1.

**Support Payments Are Not a Fine.** — The support payments ordered by a court are to be paid for the support of the defendant's minor children and are not in the nature of a fine. *State v. Green*, 8 N.C. App. 234, 174 S.E.2d 8 (1970).

**Appointment of Counsel Not Required.** — A charge of willful failure to support illegitimate children is not a "serious misdemeanor" requiring the appointment of counsel or an intelligent waiver thereof under the Sixth and Fourteenth Amendments to the United States Constitution. *State v. Green*, 8 N.C. App. 234, 174 S.E.2d 8 (1970).

**Punishment for Failure to Support.** — The only punishment authorized by law for the willful failure or neglect to support an

illegitimate child is found in this section and is limited at most to six months in prison. *State v. Green*, 277 N.C. 188, 176 S.E.2d 756 (1970).

**Discharge of Past Due Obligations.** — This section does not contemplate that money paid into court to discharge past due obligations should be paid to a person to whom it was not due. *State v. Fowler*, 277 N.C. 305, 177 S.E.2d 385 (1970).

When, without compensation, doctors and hospitals have performed immediately necessary services incident to the birth of a child and its subsequent welfare, public policy and simple justice require that money paid into court for them be disbursed directly to them and in no other way can their interests be protected. *State v. Fowler*, 277 N.C. 305, 177 S.E.2d 385 (1970).

## ARTICLE 2.

### *Legitimation of Illegitimate Children.*

**§ 49-10. Legitimation.** — The putative father of any child born out of wedlock, whether such father resides in North Carolina or not, may apply by a verified written petition, filed in a special proceeding in the superior court of the county in which the putative father resides or in the superior court of the county in which the child resides, praying that such child be declared legitimate. The mother, if living, and the child shall be necessary parties to the proceeding, and the full names of the father, mother and the child shall be set out in the petition. If it appears to the court that the petitioner is the father of the child, the court may thereupon declare and pronounce the child legitimated; and the full names of the father, mother and the child shall be set out in the court order decreeing legitimation of the child. The clerk of the court shall record the order in the record of orders and decrees and it shall be cross-indexed under the name of the father as plaintiff or petitioner on the plaintiff's side of the cross-index, and under the name of the mother, and the child as defendants or respondents on the defendants' side of the cross-index. (Code, s. 39; Rev., s. 263; C. S., s. 277; 1947, c. 663, s. 1; 1971, c. 154.)

#### **Editor's Note.** —

The 1971 amendment, effective on and after Oct. 1, 1971, rewrote the first sentence.

**Effect of Legitimation on Prior Consent to Adoption.** — A legitimation proceeding brought under this section by the putative father of a



child born out of wedlock, wherein the child is declared legitimate, has no effect upon the prior written consent to adoption given by the unwed mother under § 48-6. In re Doe, 11 N.C. App. 560, 181 S.E.2d 760 (1971).

**Applied** in Gilliard v. Craig, 331 F. Supp. 587 (W.D.N.C. 1971).

**Cited** in Conley v. Johnson, 24 N.C. App. 122, 210 S.E.2d 88 (1974).

## § 49-11. Effects of legitimation.

**Effect of Legitimation on Prior Consent to Adoption.** — A legitimation proceeding brought under § 49-10 by the putative father of a child born out of wedlock, wherein the child is

declared legitimate, has no effect upon the prior written consent to adoption given by the unwed mother under § 48-6. In re Doe, 11 N.C. App. 560, 181 S.E.2d 760 (1971).

**§ 49-13.1. Effect of legitimation on adoption consent.** — Legitimation of a child under the provisions of this article shall not invalidate or adversely affect the sufficiency of the consent to adoption given by the mother alone, nor make necessary the consent of the father or his joinder as a party to the adoption proceeding, when the provisions of G.S. 48-6 (a) and amendments thereto are applicable. (1969, c. 534, s. 2.)

**Editor's Note.** — Session Laws 1969, c. 534, s. 4, provides: "This act is intended to clarify and express in part the original, as well as the present, purpose and intent of § 48-6 (a) of the General Statutes of North Carolina as related to chapter 49, article 2."

**Effect of Legitimation on Prior Consent to Adoption.** — A legitimation proceeding brought

under § 49-10 by the putative father of a child born out of wedlock, wherein the child is declared legitimate, has no effect upon the prior written consent to adoption given by the unwed mother under § 48-6. In re Doe, 11 N.C. App. 560, 181 S.E.2d 760 (1971).

## ARTICLE 3.

### *Civil Actions regarding Illegitimate Children.*

**§ 49-14. Civil action to establish paternity.** — (a) The paternity of a child born out of wedlock may be established by civil action. Such establishment of paternity shall not have the effect of legitimation.

(b) Proof of paternity pursuant to this section shall be beyond a reasonable doubt.

(c) Such action shall be commenced within one of the following periods:

(1) Three years next after the birth of the child; or

(2) Three years next after the date of the last payment by the putative father for the support of the child, whether such last payment was made within three years of the birth of such child or thereafter.

Provided, that no such action shall be commenced nor judgment entered after the death of the putative father. (1967, c. 993, s. 1; 1973, c. 1062, s. 3.)

**Editor's Note.** — Section 4, c. 993, Session Laws 1967, provides that the act shall become effective Oct. 1, 1967.

The 1973 amendment rewrote subsection (c).

**This section and §§ 49-15 and 49-16 abrogate the common law.** Conley v. Johnson, 24 N.C. App. 122, 210 S.E.2d 88 (1974).

**Such as Common Law as to Father's Visitation Privileges.** — The principle that the father of an illegitimate child is not entitled to visitation privileges absent consent of the mother has been abrogated by statutes as well

as case law. Conley v. Johnson, 24 N.C. App. 122, 210 S.E.2d 88 (1974).

**In actions under this section, the jury decides only the factual issue of paternity, and the court decides what payments should be awarded for the support of the child.** Searcy v. Justice, 20 N.C. App. 559, 202 S.E.2d 314 (1974).

**Assertion by Court as to Father of Child Held Prejudicial Error.** — In flatly asserting that the person who had intercourse with plaintiff ten lunar months before the birth of her child would be the father of her child, the court



ignored the possibility of a premature birth or an unusually long pregnancy, and thus committed prejudicial error. *Searcy v. Justice*, 20 N.C. App. 559, 202 S.E.2d 314 (1974).

**§ 49-15. Custody and support of illegitimate children when paternity established.** — Upon and after the establishment of paternity of an illegitimate child pursuant to G.S. 49-14, the rights, duties, and obligations of the mother and the father so established, with regard to support and custody of the child, shall be the same, and may be determined and enforced in the same manner, as if the child were the legitimate child of such father and mother. When paternity has been established, the father becomes responsible for medical expenses incident to the pregnancy and the birth of the child. (1967, c. 993, s. 1.)

**This section and §§ 49-14 and 49-16 abrogate the common law.** *Conley v. Johnson*, 24 N.C. App. 122, 210 S.E.2d 88 (1974).

**Such as Common Law as to Father's Visitation Privileges.** — The principle that the father of an illegitimate child is not entitled to visitation privileges absent consent of the mother has been abrogated by statutes as well as case law. *Conley v. Johnson*, 24 N.C. App. 122, 210 S.E.2d 88 (1974).

**The district court was authorized to grant the father visitation privileges and to punish**

the mother for refusing to allow the father to visit his illegitimate child. *Conley v. Johnson*, 24 N.C. App. 122, 210 S.E.2d 88 (1974).

**Court Decides Payments to Be Awarded.** — In actions under § 49-14, the jury decides only the factual issue of paternity, and the court decides what payments should be awarded for the support of the child. *Searcy v. Justice*, 20 N.C. App. 559, 202 S.E.2d 314 (1974).

**§ 49-16. Parties to proceeding.** — Proceedings under this Article may be brought by:

- (1) The mother, the father, the child, or the personal representative of the mother or the child.
- (2) When the child, or the mother in case of medical expenses, is likely to become a public charge, the director of social services or such person as by law performs the duties of such official,
  - a. In the county where the mother resides or is found,
  - b. In the county where the putative father resides or is found, or
  - c. In the county where the child resides or is found. (1967, c. 993, s. 1; 1969, c. 982; 1975, c. 54, s. 2.)

**Editor's Note.** — The 1969 amendment substituted "social services" for "public welfare" in subdivision (2).

The 1975 amendment substituted "personal representative of the mother or the child" for "personal representative of any of them, or" at the end of subdivision (1).

**This section and §§ 49-14 and 49-15 abrogate the common law.** *Conley v. Johnson*, 24 N.C. App. 122, 210 S.E.2d 88 (1974).

**Such as Common Law as to Father's Visitation Privileges.** — The principle that the father of an illegitimate child is not entitled to visitation privileges absent consent of the mother has been abrogated by statutes as well as case law. *Conley v. Johnson*, 24 N.C. App. 122, 210 S.E.2d 88 (1974).



## Chapter 49A. Rights of Children.

### Article 1.

#### Children Conceived by Artificial Insemination.

Sec.

49A-1. Status of child born as a result of  
artificial insemination.

### ARTICLE 1.

#### *Children Conceived by Artificial Insemination.*

§ 49A-1. Status of child born as a result of artificial insemination. — Any child or children born as the result of heterologous artificial insemination shall be considered at law in all respects the same as a naturally conceived legitimate child of the husband and wife requesting and consenting in writing to the use of such technique. (1971, c. 260.)



## Chapter 50.

## Divorce and Alimony.

- |   |   |
|---|---|
| Sec.  | Sec.  |
| 50-1. [Repealed.]   | 50-13.3. Enforcement of order for custody.  |
| 50-4. What marriages may be declared void on application of either party.   | 50-13.4. Action for support of minor child.   |
| 50-5. Grounds for absolute divorce.   | 50-13.5. Procedure in actions for custody or support of minor children.                   |
| 50-7. Grounds for divorce from bed and board.   | 50-13.6. Counsel fees in actions for custody and support of minor children.               |
| 50-8. Contents of complaint; verification; venue and service in action by nonresident; certain divorces validated.  | 50-13.7. Modification of order for child support or custody.                              |
| 50-10. Material facts found by judge or jury in divorce or annulment proceedings; parties cannot testify to adultery; procedure same as ordinary civil actions. | 50-13.8. Custody and support of persons incapable of self-support upon reaching majority. |
| 50-11. Effects of absolute divorce.   | 50-14 to 50-16. [Repealed.]   |
| 50-11.2. Judgment provisions pertaining to care, custody, tuition and maintenance of minor children.  | 50-16.1. Definitions.   |
| 50-12. Resumption of maiden name or adoption of name of prior deceased husband.   | 50-16.2. Grounds for alimony.   |
| 50-13. [Repealed.]  | 50-16.3. Grounds for alimony pendente lite.   |
| 50-13.1. Action or proceeding for custody of minor child.   | 50-16.4. Counsel fees in actions for alimony.   |
| 50-13.2. Who entitled to custody; terms of custody; taking child out of State.  | 50-16.5. Determination of amount of alimony.  |
|   | 50-16.6. When alimony not payable.  |
|   | 50-16.7. How alimony and alimony pendente lite paid; enforcement of decree.               |
|   | 50-16.8. Procedure in actions for alimony and alimony pendente lite.                      |
|   | 50-16.9. Modification of order.   |
|   | 50-16.10. Alimony without action.   |

§ 50-1: Repealed by Session Laws 1971, c. 1185, s. 20, effective October 1, 1971.

§ 50-4. What marriages may be declared void on application of either party. — The district court, during a session of court, on application made as by law provided, by either party to a marriage contracted contrary to the prohibitions contained in the Chapter entitled Marriage, or declared void by said Chapter, may declare such marriage void from the beginning, subject, nevertheless, to the second proviso contained in G.S. 51-3. (1871-2, c. 193, s. 33; Code, s. 1283; Rev., s. 1560; C. S., s. 1658; 1945, c. 635; 1971, c. 1185, s. 21; 1973, c. 1.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, substituted "during a session of court" for "in term time."

The 1973 amendment substituted "district" for "superior" near the beginning of the section.

§ 50-5. Grounds for absolute divorce. — Marriages may be dissolved and the parties thereto divorced from the bonds of matrimony, on application of the party injured, made as by law provided, in the following cases:

**Defense of Connivance Available to Charges of Sexual Misconduct.** — Although connivance is most frequently asserted as a defense to a charge of adultery in divorce actions, there is no reason why the plea should not also be available as a defense to other charges of sexual misconduct. The plea is founded upon equitable principles. *Greene v. Greene*, 15 N.C. App. 314, 190 S.E.2d 258 (1972).

To say that the plea of connivance is a defense

to allegations of adultery but not to allegations of abnormal sex acts, is to call the corrupt procurement of bad conduct inequitable while labeling the procurement of worse conduct acceptable. *Greene v. Greene*, 15 N.C. App. 314, 190 S.E.2d 258 (1972).

The foundation of equitable jurisdiction is justice, and one of its greatest landmarks is that "he who does iniquity shall not have equity," and connivance is iniquity. Nothing can be more



basely infamous or more degrading, and it is certain that a court of equity will not lend its aid to one who has knowingly connived at his wife's adultery since it regards his as unclean. *Greene v. Greene*, 15 N.C. App. 314, 190 S.E.2d 258 (1972).

**Connivance** in the law of divorce is the plaintiff's consent, express or implied, to the misconduct alleged as a ground for divorce. *Greene v. Greene*, 15 N.C. App. 314, 190 S.E.2d 258 (1972).

Connivance, or procurement, denotes direction, influence, personal exertion, or other

action with knowledge and belief that such action would produce certain results and which results are produced. *Greene v. Greene*, 15 N.C. App. 314, 190 S.E.2d 258 (1972).

The basis of the defense of connivance is the maxim "*volenti non fit injuria*," or that one is not legally injured if he has consented to the act complained of or was willing that it should occur. It is also said that the basis of the defense of connivance is the doctrine of unclean hands. *Greene v. Greene*, 15 N.C. App. 314, 190 S.E.2d 258 (1972).

(4)

Cited in *Wright v. Wright*, 281 N.C. 159, 188 S.E.2d 317 (1972).

- (5) If either party has engaged in an unnatural or abnormal sex act with a person of the same sex or of a different sex or with a beast.

**Editor's Note.** — The 1967 amendment, effective Oct. 1, 1967, rewrote subdivision (5). Section 9 of the amendatory act provides that the act shall not apply to pending litigation.

- (6) In all cases where a husband and wife have lived separate and apart for three consecutive years, without cohabitation, and are still so living separate and apart by reason of the incurable insanity of one of them, the court may grant a decree of absolute divorce upon the petition of the sane spouse: Provided, if the insane spouse has been released on a trial basis to the custody of his or her respective spouse such shall not be considered as terminating the status of living "separate and apart" nor shall it be considered as constituting "cohabitation" for the purpose of this section nor shall it prevent the granting of a divorce as provided by this section. Provided further, the evidence shall show that the insane spouse is suffering from incurable insanity, and has been confined or examined for three consecutive years next preceding the bringing of the action in an institution for the care and treatment of the mentally disordered or, if not so confined, has been examined at least three years preceding the institution of the action for divorce and then found to be incurably insane as hereinafter provided. Provided further, that proof of incurable insanity be supported by the testimony of two reputable physicians, one of whom shall be a staff member or the superintendent of the institution where the insane spouse is confined, and one regularly practicing physician in the community wherein such husband and wife reside, who has no connection with the institution in which said insane spouse is confined; and provided further that a sworn statement signed by said staff member or said superintendent of the institution wherein the insane spouse is confined or was examined shall be admissible as evidence of the facts and opinions therein stated as to the mental status of said insane spouse and as to whether or not said insane spouse is suffering from incurable insanity, or the parties according to the laws governing depositions may take the deposition of said staff member or superintendent of the



institution wherein the insane spouse is confined; and provided further that incurable insanity may be proved by the testimony of one or more licensed physicians who are members of the staff of one of this State's accredited four-year medical schools or a state-supported mental institution, supported by the testimony of one or more other physicians licensed by the State of North Carolina, that each of them examined the allegedly incurable insane spouse at least three years preceding the institution of the action for divorce and then determined that said spouse was suffering from incurable insanity and that one or more of them examined the allegedly insane spouse subsequent to the institution of the action and that in his or their opinion the said allegedly insane spouse was continuously incurably insane throughout the full period of three years prior to the institution of the said action.

In lieu of proof of incurable insanity and confinement for three consecutive years next preceding the bringing of the action in an institution for the care and treatment of the mentally disordered prescribed in the preceding paragraph, it shall be sufficient if the evidence shall show that the allegedly insane spouse was adjudicated to be insane more than three years preceding the institution of the action for divorce, that such insanity has continued without interruption since such adjudication and that such person has not been adjudicated to be sane since such adjudication of insanity; provided, further, proof of incurable insanity existing after the institution of the action for divorce shall be furnished by the testimony of two reputable, regularly practicing physicians, one of whom shall be a psychiatrist.

In lieu of proof of incurable insanity and confinement for three consecutive years next preceding the bringing of the action in an institution for the care and treatment of the mentally disordered, or the adjudication of insanity, as prescribed in the preceding paragraphs, it shall be sufficient if the evidence shall show that the insane spouse was examined by two or more members of the staff of one of this State's accredited four-year medical schools, both of whom are medical doctors, at least three years preceding the institution of the action for divorce with a determination at that time by said staff members that said spouse is suffering from incurable insanity, that such insanity has continued without interruption since such determination; provided, further, that sworn statements signed by the staff members of the accredited medical school who examined the insane spouse at least three years preceding the commencement of the action shall be admissible as evidence of the facts and opinions therein stated as to the mental status of said insane spouse as to whether or not said insane spouse was suffering from incurable insanity; provided, further, that proof of incurable insanity under this section existing after the institution of the action for divorce shall be furnished by the testimony of two reputable physicians, one of whom shall be a psychiatrist on the staff of one of the State's accredited four-year medical schools, and one a physician practicing regularly in the community wherein such insane person resides.

In all decrees granted under this subdivision in actions in which the husband is the plaintiff the court shall require him to provide for the care and maintenance of the insane defendant as long as she may live, compatible with his financial standing and ability, and the trial court will retain jurisdiction of the parties and the cause, from term to term, for the purpose of making such orders as equity may require to enforce the provisions of the decree requiring the plaintiff to furnish the necessary funds for such care and maintenance. In the event of feme



defendant's continued confinement in an institution for the mentally disordered, it shall be deemed sufficient support and maintenance if the plaintiff continue to pay and discharge the monthly payments required of him by the institution, such payments to be in amounts equal to those required of patients similarly situated. In all such actions wherein the wife is the plaintiff and the insane defendant has insufficient income and property to provide for his care and maintenance, then in the discretion of the court, the court may require her to provide for the care and maintenance of the insane defendant as long as he may live, compatible with her financial standing and ability, and the trial court will retain jurisdiction of the parties and the cause, from term to term, for the purpose of making such orders as equity may require to enforce the provisions of the decree requiring plaintiff to furnish the necessary funds for such care and maintenance.

Service of process shall be held upon the regular guardian for said defendant spouse, if any, and if no regular guardian, upon a duly appointed guardian ad litem and also upon the superintendent or physician in charge of the institution wherein the insane spouse is confined. Such guardian or guardian ad litem shall make an investigation of the circumstances and notify the next of kin of the insane spouse or the superintendent of the institution of the action and whenever practical confer with said next of kin before filing appropriate pleadings in behalf of the defendant.

In all actions brought under this subdivision, if the jury finds as a fact that the plaintiff has been guilty of such conduct as has conduced to the unsoundness of mind of the insane defendant, the relief prayed for shall be denied.

The plaintiff or defendant must have resided in this State for six months next preceding institution of any action under this section.

(1967, c. 1152, s. 8; 1971, c. 1173, ss. 1, 2; 1975, c. 771.)

#### Editor's Note. —

The 1971 amendment, effective Jan. 1, 1972, in the first sentence of subdivision (6), substituted "three consecutive years" for "five consecutive years" in two places, inserted "or examined," and added the language following "treatment of the mentally disordered." In the second sentence of subdivision (6) the amendment inserted "or was examined" in the second proviso and added the last proviso. In the second paragraph of subdivision (6) the amendment substituted "three" for "five" and "five (5)." The amendment also added the third paragraph of subdivision (6).

The 1975 amendment inserted the first proviso in the first paragraph in subdivision (6).

Only the introductory paragraph of the section and the subdivisions changed by the amendments are set out.

**This section is not ambiguous.** *Vaughan v. Vaughan*, 4 N.C. App. 253, 166 S.E.2d 530 (1969).

**"Confined".** — By the use of the word "confined" in subdivision (6), the legislature did not contemplate such confinement as would require an inmate to be at all times under lock and key. *Vaughan v. Vaughan*, 4 N.C. App. 253, 166 S.E.2d 530 (1969).

**The words "next preceding"** in subdivision (6) have been held to mean the time nearest to the bringing of the action. *Vaughan v. Vaughan*, 4 N.C. App. 253, 166 S.E.2d 530 (1969).

It is not sufficient under subdivision (6) of this section that the insane spouse was confined to an institution for five (now three) consecutive years at some time prior to the commencement of the action, the statute requiring that confinement must be for five (now three) consecutive years "next preceding" the bringing of the action, which means the time nearest the bringing of the action. *Vaughan v. Vaughan*, 4 N.C. App. 253, 166 S.E.2d 530 (1969).

**Periods of probation are permissible** under subdivision (6) as well as under former § 122-67, and may be deemed not to have constituted an interruption of the confinement or a discharge from the hospital within the meaning of these statutes. *Vaughan v. Vaughan*, 4 N.C. App. 253, 166 S.E.2d 530 (1969).

Releases from the State hospital on periods of probation did not defeat a party's right to a divorce under subdivision (6). *Vaughan v. Vaughan*, 4 N.C. App. 253, 166 S.E.2d 530 (1969).

**Defendant's discharge under former § 122-67 terminated his confinement** and he was, therefore, not confined for five (now three) years



next preceding the institution of the action as required by subdivision (6). *Vaughan v. Vaughan*, 4 N.C. App. 253, 166 S.E.2d 530 (1969).

## § 50-6. Divorce after separation of one year on application of either party.

### Editor's Note. —

For note on testimony by one spouse against the other of adultery under North Carolina law, see 48 N.C.L. Rev. 131 (1969).

**Purpose.** — This section was enacted in order to enable a husband and wife to terminate their marriage without the sensationalism and public airing of dirty linen which necessarily accompany a divorce based on fault. *Harrington v. Harrington*, 22 N.C. App. 419, 206 S.E.2d 742, rev'd on other grounds, 286 N.C. 260, 210 S.E.2d 190 (1974).

**This section creates an independent cause of divorce.** —

In accord with original. See *Gray v. Gray*, 16 N.C. App. 730, 193 S.E.2d 492 (1972).

**Separate Domicile for Wife.** — North Carolina divorce statutes recognize the legality of a separate domicile, or residence, for the wife. *Rector v. Rector*, 4 N.C. App. 240, 166 S.E.2d 492 (1969).

**Physical Separation Must Be Accompanied by Intention, etc.** —

In accord with 1st paragraph in original. See *Beck v. Beck*, 14 N.C. App. 163, 187 S.E.2d 355 (1972).

### Necessity for Mutual Agreement. —

In order to be entitled to a divorce a plaintiff need not show that a marital separation for the statutory period was by mutual agreement or under a decree of court. *Beck v. Beck*, 14 N.C. App. 163, 187 S.E.2d 355 (1972).

**This section contains no requirement that separation of the parties be voluntary.** *Harrington v. Harrington*, 286 N.C. 260, 210 S.E.2d 190 (1974).

### What May Constitute Legalized Separation.

— Either an action for a divorce a mensa et thoro, an action for alimony without divorce under former § 50-16, or a valid separation agreement may constitute a legalized separation which thereafter will permit either of the parties to obtain an absolute divorce on the ground of one year's separation. *Harrington v. Harrington*, 286 N.C. 260, 210 S.E.2d 190 (1974).

**To be valid a separation agreement must be untainted by fraud,** must be in all respects fair, reasonable and just, and must have been entered into without coercion or the exercise of undue influence, and with full knowledge of all the circumstances, conditions, and rights of the contracting parties. *Eubanks v. Eubanks*, 273 N.C. 189, 159 S.E.2d 562 (1968).

**Until deed of separation is rescinded, defendant cannot attack legality of separation**

**or obtain alimony from plaintiff.** *Eubanks v. Eubanks*, 273 N.C. 189, 159 S.E.2d 562 (1968).

**Valid separation agreement legalizes the separation of the husband and wife from and after the date thereof.** *Harrington v. Harrington*, 286 N.C. 260, 210 S.E.2d 190 (1974).

### Plaintiff Need Not Establish, etc. —

In accord with original. See *Overby v. Overby*, 272 N.C. 636, 158 S.E.2d 799 (1968).

### Grounds for Attacking Deed of Separation.

— A married woman may attack the certificate of her acknowledgment and privity examination respecting her execution of a deed of separation, inter alia, upon the grounds of her mental incapacity, infancy, or the fraud of the grantee. *Eubanks v. Eubanks*, 273 N.C. 189, 159 S.E.2d 562 (1968).

**This jurisdiction recognizes the doctrine of recrimination,** which allows a defendant in a divorce action to set up a defense in bar of the plaintiff's action that plaintiff was guilty of misconduct which in itself would be a ground for divorce. *Harrington v. Harrington*, 286 N.C. 260, 210 S.E.2d 190 (1974).

North Carolina has no statute dealing with recrimination; but the doctrine of recrimination has been recognized and approved by court decisions. *Harrington v. Harrington*, 286 N.C. 260, 210 S.E.2d 190 (1974).

### What Doctrine of Recrimination Provides.

— The doctrine of recrimination provides in effect that if both parties have a right to a divorce, neither of the parties has. *Harrington v. Harrington*, 286 N.C. 260, 210 S.E.2d 190 (1974).

**Adultery, as well as abandonment, is a recriminatory defense** that will defeat an action for divorce based on separation. *Harrington v. Harrington*, 286 N.C. 260, 210 S.E.2d 190 (1974).

### Burden of Establishing Defenses. —

Defenses under the doctrine of recrimination are deemed controverted and the burden to establish such affirmative defense is on the defendant. *Harrington v. Harrington*, 286 N.C. 260, 210 S.E.2d 190 (1974).

### Willful Abandonment, etc. —

In accord with 2nd paragraph in original. See *O'Brien v. O'Brien*, 266 N.C. 502, 146 S.E.2d 500 (1966).

In accord with 4th paragraph in original. See *Harrington v. Harrington*, 22 N.C. App. 419, 206 S.E.2d 742, rev'd on other grounds, 286 N.C. 260, 210 S.E.2d 190 (1974).

Where the husband sues the wife under this section for an absolute divorce on the ground of one year's separation, she may defeat his action



by alleging and proving that the separation was caused by his abandonment of her. *Eubanks v. Eubanks*, 273 N.C. 189, 159 S.E.2d 562 (1968); *Rupert v. Rupert*, 15 N.C. App. 730, 190 S.E.2d 693 (1972).

The wife may defeat the husband's action for an absolute divorce under this section by showing as an affirmative defense that the separation of the parties has been occasioned by the act of the husband in wilfully abandoning her. *McLeod v. McLeod*, 1 N.C. App. 396, 161 S.E.2d 635 (1968).

If the husband alleges and establishes that he and his wife have lived separate and apart continuously for the required statutory period, one year or more next preceding the commencement of the action, her only defense is that the separation was caused by his act in wilfully abandoning her. *Overby v. Overby*, 272 N.C. 636, 158 S.E.2d 799 (1968).

Defendant may defeat an action for absolute divorce pursuant to this section only by affirmatively establishing that the separation was caused by plaintiff's abandoning her. *Heilman v. Heilman*, 24 N.C. App. 11, 210 S.E.2d 69 (1974).

**Abandonment requires that the separation or withdrawal be done wilfully** and without just cause or provocation. *Overby v. Overby*, 272 N.C. 636, 158 S.E.2d 799 (1968).

**What Conduct Constitutes Abandonment.** — Abandonment, as an affirmative defense, is conduct by plaintiff such as would entitle defendant to a divorce from bed and board or alimony without divorce. *Heilman v. Heilman*, 24 N.C. App. 11, 210 S.E.2d 69 (1974).

In order to prevail, the defendant must prove by the greater weight of the evidence every element of abandonment, which has been defined as the ending of cohabitation without justification, consent, or intent to return. *Heilman v. Heilman*, 24 N.C. App. 11, 210 S.E.2d 69 (1974).

When defendant asserted the affirmative defense of abandonment, the burden did not shift to plaintiff to justify the separation, for in order to obtain a divorce under this section, plaintiff need allege and prove only separation and domicile. It was incumbent upon defendant to prove lack of justification. *Heilman v. Heilman*, 24 N.C. App. 11, 210 S.E.2d 69 (1974).

**Evidence insufficient to warrant submission of issue of wrongful abandonment as a defense**

in suit for divorce on ground of separation. *Campbell v. Campbell*, 270 N.C. 298, 154 S.E.2d 101 (1967).

**Misconduct of Spouse as Defense.** — A spouse may defeat an action of the other spouse for divorce by establishing as an affirmative defense that such spouse was guilty of misconduct which, in itself, would be a ground for divorce. *Gray v. Gray*, 16 N.C. App. 730, 193 S.E.2d 492 (1972).

**Effect of Plaintiff's Misconduct, etc.** —

From and after the execution of a valid deed of separation, a husband and wife living apart do so by mutual consent. The prior misconduct of one will not defeat his action for divorce under this section, brought two years (now one year) thereafter. *Edmisten v. Edmisten*, 265 N.C. 488, 144 S.E.2d 404 (1965).

**A finding of abandonment by the wife in the custody proceeding** — where abandonment was not the real issue involved — does not constitute a judicial separation that would deprive the innocent husband of the use of either abandonment or adultery as a defense in a divorce action instituted by the wife based on one year's separation. *Harrington v. Harrington*, 286 N.C. 260, 210 S.E.2d 190 (1974).

**Cases Must Be Determined on Own Circumstances.** — Each case which presents the question of what conduct on the part of one spouse will justify the other in withdrawing from the marital relation must be determined upon its own circumstances. *Rupert v. Rupert*, 15 N.C. App. 730, 190 S.E.2d 693 (1972).

The Supreme Court has never undertaken to formulate any all-embracing definition of what conduct on the part of one spouse will justify the other in withdrawing from the marital relation, and each case must be determined in large measure upon its own particular circumstances. *Heilman v. Heilman*, 24 N.C. App. 11, 210 S.E.2d 69 (1974).

**When Withdrawing Spouse Is Justified in Leaving.** — Ordinarily, the withdrawing spouse is not justified in leaving the other unless the conduct of the latter is such as would likely render it impossible for the withdrawing spouse to continue the marital relation with safety, health, and self-respect. *Heilman v. Heilman*, 24 N.C. App. 11, 210 S.E.2d 69 (1974).

Cited in *Hicks v. Hicks*, 275 N.C. 370, 167 S.E.2d 761 (1969); *Wright v. Wright*, 281 N.C. 159, 188 S.E.2d 317 (1972).

**§ 50-7. Grounds for divorce from bed and board.** — The court may grant divorces from bed and board on application of the party injured, made as by law provided, in the following cases:

**It is not necessary for the plaintiff, etc.** —

To obtain a divorce from bed and board the law requires that defendant establish only one of the

grounds specified in this section. *Stanback v. Stanback*, 270 N.C. 497, 155 S.E.2d 221 (1967).

**A divorce from bed and board is a final**



**order.** There is no such thing as a divorce from bed and board pendente lite. *Kale v. Kale*, 25 N.C. App. 99, 212 S.E.2d 234 (1975).

Cited in *Richardson v. Richardson*, 4 N.C. App. 99, 165 S.E.2d 678 (1969).

(1) If either party abandons his or her family.

**Abandonment under This Subdivision Not Synonymous, etc. —**

Abandonment under this subdivision is not synonymous with the criminal offense defined in § 14-322. In a prosecution under § 14-322, the State must establish (1) a willful abandonment and (2) a willful failure to provide adequate support. *Richardson v. Richardson*, 268 N.C. 538, 151 S.E.2d 12 (1966).

There is a distinction between criminal abandonment and the matrimonial offense of desertion. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

**It is not necessary for, etc. —**

In accord with original. See *Somerset v. Somerset*, 3 N.C. App. 473, 165 S.E.2d 33 (1969); *Hudson v. Hudson*, 21 N.C. App. 412, 204 S.E.2d 697 (1974).

It is not necessary, to constitute abandonment of a wife by the husband, that he leave her, but he may constructively abandon her by treating her with such cruelty as to compel her to leave him. *Eudy v. Eudy*, 24 N.C. App. 516, 211 S.E.2d 536, aff'd, 288 N.C. 71, 215 S.E.2d 782 (1975).

**Withdrawal from Home Followed by Support. —** A husband may be deemed to have abandoned his wife within the meaning of subdivision (1), and so be liable for alimony, notwithstanding the fact that, after cohabitation is brought to an end, he voluntarily provides her with adequate support. Whether his withdrawal from the home, followed by such support, constitutes an abandonment which is ground for suit by the wife for divorce from bed and board, and therefore ground for suit by her for alimony without divorce depends upon whether his withdrawal from the home was justified by the conduct of the wife. *Schloss v. Schloss*, 273 N.C. 266, 160 S.E.2d 5 (1968), decided under former § 50-16.

**Willful Failure and Refusal to Provide Support. —** Allegations that plaintiff was compelled to leave her husband because of his willful failure and refusal to provide her with

support and that his failure was without provocation on her part are sufficient to state a cause of action for alimony without divorce on the ground of abandonment. *Brady v. Brady*, 273 N.C. 299, 160 S.E.2d 13 (1968).

**Continued and Persistent Cruelty or Neglect. —** If a husband, by continued and persistent cruelty or neglect, forces his wife to leave his home, he may himself be guilty of abandonment. *Somerset v. Somerset*, 3 N.C. App. 473, 165 S.E.2d 33 (1969).

**Defendant May Not Defeat, etc. —**

In accord with original. See *Richardson v. Richardson*, 268 N.C. 538, 151 S.E.2d 12 (1966).

**Fact That Husband Does or Does Not Support Wife as Evidence. —**

In accord with original. See *Richardson v. Richardson*, 268 N.C. 538, 151 S.E.2d 12 (1966); *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

**Whether the mother abandoned the father within the meaning of this subdivision is not controlling on the question of custody.** *Kenney v. Kenney*, 15 N.C. App. 665, 190 S.E.2d 650 (1972).

**Ending Cohabitation Is Desertion Whether or Not Support Is Paid. —** A wife is entitled to her husband's society and the protection of his name and home in cohabitation. The permanent denial of these rights may be aggravated by leaving her destitute or mitigated by a liberal provision for her support, but if the cohabitation is brought to an end without justification and without the consent of the wife and without the intention of renewing it, the matrimonial offense of desertion is complete. *Richardson v. Richardson*, 268 N.C. 538, 151 S.E.2d 12 (1966); *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

Cited in *Hicks v. Hicks*, 275 N.C. 370, 167 S.E.2d 761 (1969); *Williams v. Williams*, 13 N.C. App. 468, 186 S.E.2d 210 (1972).

(2) Maliciously turns the other out of doors.

(3) By cruel or barbarous treatment endangers the life of the other.

(4) Offers such indignities to the person of the other as to render his or her condition intolerable and life burdensome.

**Conduct of Defendant, etc. —**

If a wife alleges cruel treatment or indignities, she not only must set out with particularity the

acts which her husband has committed and upon which she relies, but also must allege, and consequently offer proof, that such acts were



without adequate provocation on her part.  
*Butler v. Butler*, 1 N.C. App. 356, 161 S.E.2d 618  
(1968).

- (5) Becomes an excessive user of alcohol or drugs so as to render the condition of the other spouse intolerable and the life of that spouse burdensome. (1871-2, c. 193, s. 36; Code, s. 1286; Rev., s. 1562; C. S., s. 1660; 1967, c. 1152, s. 7; 1971, c. 1185, s. 22.)

**Editor's Note.** — The 1967 amendment, effective Oct. 1, 1967, rewrote subdivision (5). Section 9 of the amendatory act provides that the act shall not apply to pending litigation.

The 1971 amendment, effective Oct. 1, 1971, deleted "superior" preceding "court," in the introductory language.

**§ 50-8. Contents of complaint; verification; venue and service in action by nonresident; certain divorces validated.** — In all actions for divorce the complaint shall be verified in accordance with the provisions of Rule 11 of the Rules of Civil Procedure and G.S. 1-148. The plaintiff shall set forth in his or her complaint that the complainant or defendant has been a resident of the State of North Carolina for at least six months next preceding the filing of the complaint, and that the facts set forth therein as grounds for divorce, except in actions for divorce from bed and board, have existed to his or her knowledge for at least six months prior to the filing of the complaint: Provided, however, that if the cause for divorce is one-year separation, then it shall not be necessary to allege in the complaint that the grounds for divorce have existed for at least six months prior to the filing of the complaint; it being the purpose of this proviso to permit a divorce after such separation of one year without awaiting an additional six months for filing the complaint: Provided, further, that if the complainant is a nonresident of the State action shall be brought in the county of the defendant's residence, and summons served upon the defendant personally. Notwithstanding any other provision of this section, any suit or action for divorce heretofore instituted by a nonresident of this State in which the defendant was personally served with summons and the case was tried and final judgment entered in a court of this State in a county other than the county of the defendant's residence, is hereby validated and declared to be legal and proper, the same as if the suit or action for divorce had been brought in the county of the defendant's residence.

In all divorce actions the complaint shall set forth the name and age of any minor child or children of the marriage, and in the event there are no such minor children of the marriage, the complaint shall so state.

In all prior suits and actions for divorce heretofore instituted and tried in the courts of this State where the averments of fact required to be contained in the affidavit heretofore required by this section are or have been alleged and set forth in the complaint in said suits or actions and said complaints have been duly verified as required by Rule 11 of the Rules of Civil Procedure, said allegations so contained in said complaints shall be deemed to be, and are hereby made, a substantial compliance as to the allegations heretofore required by this section to be set forth in any affidavit; and all such suits or actions for divorce, as well as the judgments or decrees issued and entered as a result thereof, are hereby validated and declared to be legal and proper judgments and decrees of divorce.

In all suits and actions for divorce heretofore instituted and tried in this State on and subsequent to the 5th day of April, 1951, wherein the statements, averments, or allegations in the verification to the complaint in said suits or actions are not in accordance with the provisions of Rule 11 of the Rules of Civil Procedure and G.S. 1-148 or the requirements of this section as to verification of complaint or the allegations, statements or averments in the verification



contain the language that the facts set forth in the complaint are true "to the best of affiant's knowledge and belief" instead of the language "that the same is true to his (or her) own knowledge" or similar variation in language, said allegations, statements and averments in said verifications as contained in or attached to said complaint shall be deemed to be, and are hereby made, a substantial compliance as to the allegations, averments or statements required by this section to be set forth in any such verifications; and all such suits or actions for divorce, as well as the judgments or decrees issued and entered as a result thereof, are hereby validated and declared to be legal and proper judgments and decrees of divorce. (1868-9, c. 93, s. 46; 1869-70, c. 184; Code, s. 1287; Rev., s. 1563; 1907, c. 1008, s. 1; C. S., s. 1661; 1925, c. 93; 1933, c. 71, ss. 2, 3; 1943, c. 448, s. 1; 1947, c. 165; 1949, c. 264, s. 4; 1951, c. 590; 1955, c. 103; 1965, c. 636, s. 3; c. 751, s. 1; 1967, c. 50; c. 954, s. 3; 1971, c. 415; 1973, c. 39.)

#### Editor's Note. —

Session Laws 1967, c. 50, inserted, in the portion of the second sentence preceding the first proviso, "except in actions for divorce from bed and board."

Session Laws 1967, c. 954, s. 3, effective July 1, 1969, substituted "Rule 11 of the Rules of Civil Procedure" for "G.S. 1-145" in the first, second and third paragraphs.

Session Laws 1969, c. 803, amends Session Laws 1967, c. 954, s. 10, so as to make the 1967 act effective Jan. 1, 1970. See Editor's note to § 1A-1.

Session Laws 1971, c. 415, effective Jan. 1, 1972, added the second paragraph.

Session Laws 1971, c. 1065 provides:

"Section 1. All divorces granted between January 1, 1969 and the date of the ratification of this act [July 21, 1971] are hereby validated as to the complaint being certified by the attorney rather than verified by the plaintiff.

"Sec. 2. It is the intent of the General Assembly to validate divorces which were based on complaints relying on G.S. 50-8 which, due to a typographical error, indicated that complaints for divorce should be certified rather than verified."

The 1973 amendment added the last sentence of the first paragraph.

The Rules of Civil Procedure are found in § 1A-1.

**The allegations required by this section are indispensable constituent elements of a divorce action** and must be established either by the verdict of a jury or by a judge, as the pertinent statute may permit. *Eudy v. Eudy*, 288 N.C. 71, 215 S.E.2d 782 (1975).

All averments required by the statute must be both alleged in the complaint and found by the finder of fact to be true before a divorce judgment may be entered. *Eudy v. Eudy*, 288 N.C. 71, 215 S.E.2d 782 (1975).

**Residency for Six Months Required.** — In order to obtain a valid divorce in North Carolina, the plaintiff or defendant must have resided in this State for at least six months next preceding the institution of the action for divorce. *Eudy v.*

*Eudy*, 24 N.C. App. 516, 211 S.E.2d 536, aff'd, 288 N.C. 71, 215 S.E.2d 782 (1975).

#### Thus Residence Requirement, etc. —

The residence requirement in this section is jurisdictional. *Eudy v. Eudy*, 24 N.C. App. 516, 211 S.E.2d 536, aff'd, 288 N.C. 71, 215 S.E.2d 782 (1975).

**The period of residence in this section applies to an action for divorce from bed and board** as well as to an action for absolute divorce. *Eudy v. Eudy*, 24 N.C. App. 516, 211 S.E.2d 536, aff'd, 288 N.C. 71, 215 S.E.2d 782 (1975).

**The residency requirement of this section is not applicable in an action for alimony without divorce.** *Eudy v. Eudy*, 288 N.C. 71, 215 S.E.2d 782 (1975).

#### Common-Law Rule as to Domicile of Wife.

— The common-law rule is that a woman, upon marriage, loses her own domicile and by operation of law acquires that of her husband; and that when the husband changes his domicile, hers follows and is drawn to his. Exceptions are made to the rule where a situation arises in which the interests of the spouses are not identical. Obviously, the interests of the spouses are not identical for the purposes of the dissolution of the marriage. This rule has been very generally applied in allowing the wife to acquire a separate domicile for the purpose of her maintaining an action for divorce or custody where there is no fault on her part. In view of this rule, there is no logical, legal or equitable reason for allowing the wife, whose misconduct has brought about the separation, to insist upon the legal fiction that her domicile follows that of her husband, and thereby to defeat his action for divorce brought in the jurisdiction in which she actually resides. *Rector v. Rector*, 4 N.C. App. 240, 166 S.E.2d 492 (1969).

**Separate Domicile for Wife.** — North Carolina divorce statutes recognize the legality of a separate domicile, or residence, for the wife. *Rector v. Rector*, 4 N.C. App. 240, 166 S.E.2d 492 (1969).

**A bona fide "residence,"** necessary under statutes in order to confer jurisdiction in divorce



proceedings, is within the legal meaning of the word "domicile," that is, an abode animo manendi, a place where a person lives or has his home, to which, when absent, he intends to return, and from which he has no present purpose to depart. *Rector v. Rector*, 4 N.C. App. 240, 166 S.E.2d 492 (1969).

**One need not be a citizen of the United States in order to establish residence or domicile within the State for purposes of divorce actions.** *Rector v. Rector*, 4 N.C. App. 240, 166 S.E.2d 492 (1969).

**Section Requires Complaint to Set Forth Certain Information as to Children.** — This section requires that in all divorce actions the

complaint shall set forth the name and age of any minor child or children of the marriage, and in the event there are no minor children of the marriage, the complaint shall so state. *Jones v. Jones*, 20 N.C. App. 607, 202 S.E.2d 279 (1974).

**The obvious reason for this requirement** is to bring to the attention of the court any minor children that might be affected by the divorce, to the end that the court will protect the interests of those children. *Jones v. Jones*, 20 N.C. App. 607, 202 S.E.2d 279 (1974).

**Stated in** *Johnson v. Johnson*, 14 N.C. App. 378, 188 S.E.2d 711 (1972).

**Cited in** *Butler v. Butler*, 1 N.C. App. 356, 161 S.E.2d 618 (1968).

**§ 50-10. Material facts found by judge or jury in divorce or annulment proceedings; parties cannot testify to adultery; procedure same as ordinary civil actions.** — The material facts in every complaint asking for a divorce or for an annulment shall be deemed to be denied by the defendant, whether the same shall be actually denied by pleading or not, and no judgment shall be given in favor of the plaintiff in any such complaint until such facts have been found by a judge or jury. The determination of whether there is to be a jury trial or a trial before the judge without a jury shall be made in accordance with G.S. 1A-1, Rules 38 and 39. On such trial neither the husband nor wife shall be a competent witness to prove the adultery of the other, nor shall the admissions of either party be received as evidence to prove such fact. (1868-9, c. 93, s. 47; Code, s. 1288; Rev., s. 1564; C. S., s. 1662; 1963, c. 540, ss. 1, 2; 1965, c. 105; c. 636, s. 4; 1971, c. 17; 1973, cc. 2, 460.)

#### **Editor's Note. —**

The 1971 amendment, in the second sentence of the first paragraph, inserted "or when service has been made upon the defendant by registered mail as provided in the Rules of Civil Procedure," substituted "demand" for "request" and added "as provided in the Rules of Civil Procedure." The amendment also substituted "as provided in this section" for "as in this section provided" in the second paragraph.

The first 1973 amendment, effective Oct. 1, 1973, deleted the former second paragraph, which provided: "In all divorce actions tried without a jury as provided in this section the presiding judge shall answer the issues and render judgment thereon."

The second 1973 amendment rewrote this section.

For case law survey on trial practice, see 43 N.C.L. Rev. 938 (1965). For note on testimony by one spouse against the other of adultery under North Carolina law, see 48 N.C.L. Rev. 131 (1969).

#### **Purpose of Section. —**

This legislation is based upon the gravest reasons of public policy and is designed, not only to prevent collusion where the same exists, but to remove the opportunity for it. *Hicks v. Hicks*, 4 N.C. App. 28, 165 S.E.2d 681 (1969).

The primary purpose in restricting the husband's or wife's competency and in prohibiting the admissions of either party to prove the fact of his or her adultery was to obviate the risk of and opportunity for collusive divorces. *Wright v. Wright*, 281 N.C. 159, 188 S.E.2d 317 (1972).

**Public policy** demands that the wife be protected against the absolute defense of adultery which the husband seeks to prove by his own testimony. *Hicks v. Hicks*, 275 N.C. 370, 167 S.E.2d 761 (1969).

**This section applies to actions for alimony without divorce.** *Bowen v. Bowen*, 19 N.C. App. 710, 200 S.E.2d 214 (1973).

**The procedure in a divorce action** is not the same as the procedure in other civil actions in that the material facts in the complaint are deemed denied, whether actually denied by pleading or not, and in that no judgment shall be given in favor of the plaintiff until such facts have been found by a jury. *Williams v. Williams*, 13 N.C. App. 468, 186 S.E.2d 210 (1972), decided prior to the 1973 amendment to this section.

**Procedure in Actions for Alimony without Divorce.** — Issues of fact in an action for alimony without divorce may be determined by the judge if a jury trial is waived by failing to make timely demand pursuant to § 1A-1, Rule 38(b), since § 50-16.8 changes the procedure to



be followed in actions for alimony without divorce from the divorce procedure set forth in this section to the procedure applicable to other civil actions. *Williams v. Williams*, 13 N.C. App. 468, 186 S.E.2d 210 (1972), decided prior to the 1973 amendment to this section.

**Suits for alimony without divorce are within the analogy of divorce laws** and within the purview of that portion of this section which controverts all material facts in every divorce action. *Koob v. Koob*, 283 N.C. 129, 195 S.E.2d 552 (1973).

**Facts That Must Be Alleged, etc. —**

The allegations required by § 50-8 are indispensable constituent elements of a divorce action and must be established either by the verdict of a jury or by a judge, as the pertinent statute may permit. *Eudy v. Eudy*, 288 N.C. 71, 215 S.E.2d 782 (1975).

The statutory changes eliminating the necessity for the filing of an affidavit and allowing a judge in some cases to become the trier of facts in divorce actions do not change the fundamental precepts that jurisdiction over the subject matter of divorce is statutory and that all averments required by the statute must be both alleged in the complaint and found by the finder of fact to be true before a divorce judgment may be entered. *Eudy v. Eudy*, 288 N.C. 71, 215 S.E.2d 782 (1975).

**Neither Husband Nor Wife Is Competent Witness.** — Construing § 8-56 and this section together, the Supreme Court held that neither a husband nor a wife is a competent witness in any action inter se to give evidence for or against the other in any action or proceeding in consequence of adultery, or in any action or proceeding for divorce on account of adultery, and may not be compelled to give such evidence. *Wright v. Wright*, 281 N.C. 159, 188 S.E.2d 317 (1972); *Greene v. Greene*, 15 N.C. App. 314, 190 S.E.2d 258 (1972).

**This Prohibition Applies to Interrogatories.** — The provisions of § 8-56 and this section which render a husband or wife an incompetent witness apply to answers to interrogatories as well as to testimony at trial. *Wright v. Wright*, 281 N.C. 159, 188 S.E.2d 317 (1972).

**Provision on Evidence of Adultery Is Plain.** —

In accord with original. See *Hicks v. Hicks*, 275 N.C. 370, 167 S.E.2d 761 (1969).

In a husband's action for absolute divorce, a trial court commits prejudicial error if it allows the husband to testify on cross-examination as to the adulterous conduct of his wife. *Phillips v. Phillips*, 9 N.C. App. 438, 176 S.E.2d 379 (1970).

**And It Applies to All Divorce Actions.** — The declaration of this section that the husband and wife are incompetent witnesses to prove the adultery of the other refers to all divorce actions. *Hicks v. Hicks*, 275 N.C. 370, 167 S.E.2d 761 (1969).

The husband and wife are incompetent

witnesses to prove the adultery of the other in all divorce actions, including actions for alimony without divorce. *Gordon v. Gordon*, 7 N.C. App. 206, 171 S.E.2d 805 (1970).

The provisions of this section are not limited to "any action or proceeding for divorce on account of adultery" or "actions or proceedings in consequence of adultery," but includes "every complaint asking for a divorce." Thus, its declaration that the husband and wife are incompetent witnesses to prove the adultery of the other refers to all divorce actions, including actions for alimony without divorce. *Phillips v. Phillips*, 9 N.C. App. 438, 176 S.E.2d 379 (1970).

**Adultery as Explanation of Separation.** — Where the wife sets up abandonment as a defense in the husband's action for divorce on the ground of two years' separation, the husband may testify as to the adultery of his wife in order to explain his separation from the wife and to establish his defense of recrimination, the husband's testimony being neither for nor against the wife on the issue of adultery, and therefore does not come within the purview of § 8-56 or this section. *Hicks v. Hicks*, 4 N.C. App. 28, 165 S.E.2d 681 (1969).

**Rule 26 Distinguished.** — Section 8-56 and this section are distinguishable from Rule 26(b) in that they relate to the disqualification of husband or wife as a witness with reference to specific matters, not to the admissibility or inadmissibility of the testimony of a qualified witness. *Wright v. Wright*, 281 N.C. 159, 188 S.E.2d 317 (1972).

**1971 Amendment Did Not Nullify Right Conferred Prior to Amendment.** — Where the last pleading was filed nearly six months prior to the 1971 amendment of this section, the amendment did not nullify the right to request a jury trial "prior to the call of the action for trial" conferred by this section at the time defendant filed the last pleading. *Branch v. Branch*, 282 N.C. 133, 191 S.E.2d 671 (1972).

**The substance of the 1973 amendment is very similar to that of the 1971 amendment.** *Laws v. Laws*, 22 N.C. App. 344, 206 S.E.2d 324 (1974).

**The 1973 amendment did not alter the procedure for securing a jury trial in actions for absolute divorce after a one-year separation where an answer had been filed at least 10 days prior to the effective date of the amendment.** *Laws v. Laws*, 22 N.C. App. 344, 206 S.E.2d 324 (1974).

**A party may waive the right to a jury trial in civil actions by failure to follow the statutory procedure to preserve such right.** *Laws v. Laws*, 1 N.C. App. 243, 161 S.E.2d 40 (1968), decided prior to the 1973 amendment to this section.

**Service of Process by Publication Does Not Prohibit Waiver of Right to Trial by Jury.** — See opinion of Attorney General to Mr. Tom H. Matthews, 43 N.C.A.G. 48 (1973), decided prior to the 1973 amendment to this section.



**Service of Process upon Defendant in Divorce Action by Leaving Copies with Defendant's Mother at the Defendant's Address Is Sufficient Service and Is Sufficient for Nonjury Trial.** — See opinion of Attorney General to Honorable John S. Gardner, District Court Judge, Sixteenth Judicial District, 41 N.C.A.G. 473 (1971), decided prior to the 1973 amendment to this section.

**Judge Can Try Divorce on Grounds of Separation in Absence of Request for Jury.** — In a suit for divorce on the grounds of separation, defendant having been personally served with summons, the judge, in the absence

of a request for a jury trial filed prior to the call of the action for trial, has authority to hear the evidence, answer the issues, and render judgment thereon. This rule applies equally to contested and uncontested divorce actions. *Langley v. Langley*, 268 N.C. 415, 150 S.E.2d 764 (1966) decided prior to the 1973 amendment to this section.

**Applied** in *Hinson v. Hinson*, 17 N.C. App. 505, 195 S.E.2d 98 (1973).

**Cited** in *Anthony v. Anthony*, 8 N.C. App. 20, 173 S.E.2d 617 (1970); *Whitaker v. Whitaker*, 16 N.C. App. 432, 192 S.E.2d 80 (1972).

**§ 50-11. Effects of absolute divorce.** — (a) After a judgment of divorce from the bonds of matrimony, all rights arising out of the marriage shall cease and determine except as hereinafter set out, and either party may marry again without restriction arising from the dissolved marriage.

(b) No judgment of divorce shall render illegitimate any child in esse, or begotten of the body of the wife during coverture.

(c) After a case of divorce obtained with personal service on the defendant spouse, either within or without the State, upon the grounds of the adultery of the dependent spouse and except in case of divorce obtained by the dependent spouse in an action initiated by such spouse on the ground of separation for the statutory period a decree of absolute divorce shall not impair or destroy the right of a spouse to receive alimony and other rights provided for such spouse under any judgment or decree of a court rendered before or at the time of the rendering of the judgment for absolute divorce.

(d) A divorce obtained outside the State in an action in which jurisdiction over the person of the dependent spouse was not obtained shall not impair or destroy the right of the dependent spouse to alimony as provided by the laws of this State. (1871-2, c. 193, s. 43; Code, s. 1295; Rev., s. 1569; 1919, c. 204; C. S., s. 1663; 1953, c. 1313; 1955, c. 872, s. 1; 1967, c. 1152, s. 3.)

#### Editor's Note. —

The 1967 amendment, effective Oct. 1, 1967, rewrote the section. Section 9 of the amendatory act provides that the act shall not apply to pending litigation.

For note on choice of law rules in North Carolina, see 48 N.C.L. Rev. 243 (1970).

**Absolute Divorce Ends Power to Enter Alimony Order.** — When a party has secured an absolute divorce, that puts it beyond the power of the court thereafter to enter an order for alimony. *Mitchell v. Mitchell*, 270 N.C. 253, 154 S.E.2d 71 (1967) (decided prior to the 1967 amendment).

**It Terminates Alimony Pendente Lite.** — A dependent spouse's action for alimony without divorce was properly dismissed and the other awarding alimony pendente lite was properly terminated on motion of the supporting spouse where he had been granted an absolute divorce in an action instituted by him after the order for alimony pendente lite was entered in her action. *Smith v. Smith*, 12 N.C. App. 378, 183 S.E.2d 283 (1971).

**Absolute Divorce Did Not Bar Alimony Pendente Lite.** — Where a judgment awarding the wife alimony pendente lite to be continued until the award of permanent alimony was rendered before rendering of judgment for absolute divorce, the rights provided for the wife by the prior judgment could not be impaired or destroyed by the subsequently rendered decree of absolute divorce, and defendant remained liable to continue to make the payments under the alimony pendente lite order. *Johnson v. Johnson*, 17 N.C. App. 398, 194 S.E.2d 562 (1973), decided under this section as it stood before the 1967 amendment.

**Divorce Does Not Annul or Revoke Insurance Beneficiary Designation.** — Neither this section which provides that "all rights arising out of the marriage shall cease and determine," nor § 31A-1 which bars rights to "any rights or interests in the property of the other spouse" discloses a legislative intent that divorce should annul or revoke the beneficiary designation in a garden-variety insurance certificate. *DeVane v. Travelers Ins. Co.*, 8 N.C. App. 247, 174 S.E.2d 146 (1970).



**Counsel Fees May Be Awarded Subsequent to Absolute Divorce.** — Unless the case falls within one of the two exceptions made by subsection (c), counsel fees may be awarded for services rendered to a dependent spouse subsequent to an absolute divorce in seeking to obtain or in resisting a motion for a revision of alimony or other rights provided under any judgment or decree of a court rendered before or at the time of the rendering of the judgment for absolute divorce. *Shore v. Shore*, 15 N.C. App. 629, 190 S.E.2d 666 (1972).

**Exceptions to Allowance of Counsel Fees.** — Plaintiff-wife is not entitled to an award of attorney's fees for services rendered to her subsequent to the absolute divorce, obtained in an action initiated by her on the ground of separation for the statutory period, which is a case directly within one of the exceptions specified in subsection (c). *Shore v. Shore*, 15 N.C. App. 629, 190 S.E.2d 666 (1972).

### § 50-11.1. Children born of voidable marriage legitimate.

**Quoted** in *Rehm v. Rehm*, 2 N.C. App. 298, 163 S.E.2d 54 (1968).

**§ 50-11.2. Judgment provisions pertaining to care, custody, tuition and maintenance of minor children.** — Where the court has the requisite jurisdiction and upon proper pleadings and proper and due notice to all interested parties the judgment in a divorce action may contain such provisions respecting care, custody, tuition and maintenance of the minor children of the marriage as the court may adjudge; and from time to time such provisions may be modified upon due notice and hearing and a showing of a substantial change in condition; and if there be no minor children, the judgment may so state. (1973, c. 927, s. 1.)

**Editor's Note.** — Session Laws 1973, c. 927, s. 2, makes this section effective Oct. 1, 1974.

**§ 50-12. Resumption of maiden name or adoption of name of prior deceased husband.** — Any woman at any time after the bonds of matrimony theretofore existing between herself and her husband have been dissolved by a decree of absolute divorce, may resume the use of her maiden name or the name of a prior deceased husband, or a name composed of her given name and the surname of a prior deceased husband upon application to the clerk of the court of the county in which she resides, setting forth her intention so to do. Said application shall be addressed to the clerk of the court of the county in which such divorced woman resides, and shall set forth the full name of the former husband of the applicant, the name of the county in which said divorce was granted, and the term or session of court at which such divorce was granted, and shall be signed by the applicant in her full maiden name. The clerks of court of the several counties of the State shall record and index such applications in such manner as shall be required by the Administrative Office of the Courts. The provisions of this section shall apply only in those cases in which the divorce decree is rendered by a court of competent jurisdiction of this State. In every case where a married woman has heretofore been granted a divorce and has,

**Basis for Claim for Arrearages in Payment under Predivorce Separation Agreement.** — Plaintiff's claim for arrearages in payments under a predivorce separation agreement was based on a right arising out of contract which survives a judgment of absolute divorce, and was not a right arising out of marriage which was terminated by a judgment of absolute divorce. *McKnight v. McKnight*, 25 N.C. App. 246, 212 S.E.2d 902 (1975).

**Applied** in *Darden v. Darden*, 20 N.C. App. 433, 201 S.E.2d 538 (1974); *Sawyer v. Sawyer*, 21 N.C. App. 293, 204 S.E.2d 224 (1974).

**Quoted** in *O'Brien v. O'Brien*, 266 N.C. 502, 146 S.E.2d 500 (1966).

**Cited** in *Becker v. Becker*, 273 N.C. 65, 159 S.E.2d 569 (1968); *Bailey v. Bailey*, 26 N.C. App. 444, 216 S.E.2d 394 (1975).



since the divorce, adopted the name of a prior deceased husband, or a name composed of her given name and the surname of a prior deceased husband, the adoption by her of such name is hereby validated. Provided that in the complaint or crossbill for divorce filed by any woman, she may petition the court for a resumption of her maiden name or the adoption by her of the name of a prior deceased husband, or of a name composed of her given name and the surname of a prior deceased husband, and upon the granting of the divorce in her favor, the court is authorized to incorporate in the divorce decree an order authorizing her to resume her maiden name or to adopt the name of a prior deceased husband or a name composed of her given name and the name of a prior deceased husband. (1937, c. 53; 1941, c. 9; 1951, c. 780; 1957, c. 394; 1971, c. 1185, s. 23.)

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, inserted "or session" in the second sentence, rewrote the third sentence, and deleted a former fourth sentence.

**Wife Need Not Use Husband's Surname.** — There is no statutory requirement in this State that a married woman use her husband's surname. In re Mohlman, 26 N.C. App. 220, 216 S.E.2d 147 (1975).

**Section Merely Recognizes Possible Common-Law Change in Name.** — This section does not imply a requirement that a married woman must assume her husband's surname. It

is merely recognized that by her marriage the wife may have, through usage, effected a common-law change in her name, but it does not indicate that she was compelled to do so. In re Mohlman, 26 N.C. App. 220, 216 S.E.2d 147 (1975).

**Woman Does Not by Marriage Give Up Right to Change Name.** — Nothing in the law states that by marriage a woman gives up her right as a person to change her name as anyone else might change his or hers. In re Mohlman, 26 N.C. App. 220, 216 S.E.2d 147 (1975).

**§ 50-13: Repealed by Session Laws 1967, c. 1153, s. 1, effective October 1, 1967.**

**Cross References.** —

As to action or proceeding for custody of minor child, see §§ 50-13.1 to 50-13.8.

**§ 50-13.1. Action or proceeding for custody of minor child.** — Any parent, relative, or other person, agency, organization or institution claiming the right to custody of a minor child may institute an action or proceeding for the custody of such child, as hereinafter provided. (1967, c. 1153, s. 2.)

**Editor's Note.** — Session Laws 1967, c. 1153, s. 2, adding §§ 50-13.1 to 50-13.8, is effective Oct. 1, 1967.

For case law survey as to custody, see 44 N.C.L. Rev. 1000 (1966).

**Object of Legislature.** — By the enactment of § 50-13.1 et seq., the legislature has sought to eliminate conflicting and inconsistent statutes which have caused pitfalls for litigants, and to bring all of the statutes relating to child custody and support together into one act. In re Holt, 1 N.C. App. 108, 160 S.E.2d 90 (1968); In re King, 3 N.C. App. 466, 165 S.E.2d 60 (1969); Johnson v. Johnson, 14 N.C. App. 378, 188 S.E.2d 711 (1972).

**Jurisdiction.** — Where there is no question raised about the court having jurisdiction over a child, the matter of his custody is left open and this section applies. Brooks v. Brooks, 12 N.C. App. 626, 184 S.E.2d 417 (1971).

The court in which a divorce action is brought acquires jurisdiction over the custody of the unemancipated children of the marriage, and such jurisdiction continues even after the divorce becomes final. Blackley v. Blackley, 285 N.C. 358, 204 S.E.2d 678 (1974).

**District Court Did Not Have Exclusive Jurisdiction of Minor Children.** — District court had no right to assume custody jurisdiction of minor children upon its finding that they were "neglected" children to the exclusion of the district court which had acquired previously such custody jurisdiction in a divorce and custody proceeding of the children's parents. In re Greer, 26 N.C. App. 106, 215 S.E.2d 404 (1975).

**"Minor Child" under Prior Law.** — Before the enactment of Chapter 48A, it was evident that the meaning of "minor child" within the purview of the custody and support statutes, § 50-13.1 et seq., contemplated the common-law



age of majority, 21. *Crouch v. Crouch*, 14 N.C. App. 49, 187 S.E.2d 348 (1972).

**This section et seq. does not alter basic legal principles concerning custody.** In re Moore, 8 N.C. App. 251, 174 S.E.2d 135 (1970).

**Sections Relating to Custody and Support of Children Are Not Retroactive.** — Sections 50-13.1 through 50-13.8, relating to the custody and support of minor children, do not apply to litigation pending on 1 October 1967, the effective date of the statutes. *Speck v. Speck*, 5 N.C. App. 296, 168 S.E.2d 672 (1969).

This section et seq., as amended, does not apply retroactively. *Hopkins v. Hopkins*, 8 N.C. App. 162, 174 S.E.2d 103 (1970).

**§ 50-13.2. Who entitled to custody; terms of custody; taking child out of State.** — (a) An order for custody of a minor child entered pursuant to this section shall award the custody of such child to such person, agency, organization or institution as will, in the opinion of the judge, best promote the interest and welfare of the child.

(b) An order for custody of a minor child may grant exclusive custody of such child to one person, agency, organization or institution, or, if clearly in the best interest of the child, provide for custody in two or more of the same, at such times and for such periods as will in the opinion of the judge best promote the interest and welfare of the child.

(c) An order for custody of a minor child may provide for such child to be taken outside of the State, but if the order contemplates the return of the child to this State, the judge may require the person, agency, organization or institution having custody out of this State to give bond or other security conditioned upon the return of the child to this State in accordance with the order of the court. (1957, c. 545; 1967, c. 1153, s. 2.)

**Cross Reference.** — See note to § 50-13.1.

**Editor's Note.** — A number of cases in the following note were decided under former § 50-13, which dealt with custody and maintenance of children in actions for divorce.

**Jurisdiction.** — When a divorce action is instituted, the court acquires jurisdiction over the children born to the marriage and may hear and determine questions as to the custody and maintenance of the children, both before and after final decree of divorce. *Crosby v. Crosby*, 272 N.C. 235, 158 S.E.2d 77 (1967).

**The welfare of the child is the paramount consideration.** *Hinkle v. Hinkle*, 266 N.C. 189, 146 S.E.2d 73 (1966); *Crosby v. Crosby*, 272 N.C. 235, 158 S.E.2d 77 (1967); *Williams v. Williams*, 18 N.C. App. 635, 197 S.E.2d 629 (1973).

The children of the marriage become the wards of the court, and their welfare is the determining factor in custody proceedings. *Stanback v. Stanback*, 266 N.C. 72, 145 S.E.2d 332 (1965).

The welfare of the child in controversies involving custody is the polar star by which the courts must be guided in awarding custody. *Chriscoe v. Chriscoe*, 268 N.C. 554, 151 S.E.2d 33 (1966); In re Moore, 8 N.C. App. 251, 174 S.E.2d

**Nothing in this section limits custody proceedings to the parent of a legitimate child.** *Conley v. Johnson*, 24 N.C. App. 122, 210 S.E.2d 88 (1974).

**Applied** in *Mauney v. Mauney*, 12 N.C. App. 269, 182 S.E.2d 861 (1971); In re Custody of Branch, 16 N.C. App. 413, 192 S.E.2d 43 (1972).

**Cited** in *Blake v. Blake*, 6 N.C. App. 410, 170 S.E.2d 87 (1969); *Collins v. Collins*, 18 N.C. App. 45, 196 S.E.2d 282 (1973).

135 (1970); *Paschall v. Paschall*, 21 N.C. App. 120, 203 S.E.2d 337 (1974); *Mathews v. Mathews*, 24 N.C. App. 551, 211 S.E.2d 513 (1975).

The child's welfare is the paramount consideration, and a parent's love must yield to another if, after judicial investigation, it is found that the best interest of the child is subserved thereby. *Greer v. Greer*, 5 N.C. App. 160, 167 S.E.2d 782 (1969).

This section merely codified the rule which had been many times announced by the North Carolina Supreme Court to the effect that in custody cases the welfare of the child is the polar star by which the court's decision must ever be guided. *Greer v. Greer*, 5 N.C. App. 160, 167 S.E.2d 782 (1969); *Jarman v. Jarman*, 14 N.C. App. 531, 188 S.E.2d 647 (1972).

The guiding principle to be used by the court in a custody hearing is the welfare of the children involved. While this guiding principle is clear, decision in particular cases is often difficult and necessarily a wide discretion is vested in the trial judge. He has the opportunity to see the parties in person and to hear the witnesses, and his decision ought not to be upset on appeal absent a clear showing of abuse of discretion. *Greer v. Greer*, 5 N.C. App. 160, 167



S.E.2d 782 (1969); *Brooks v. Brooks*, 12 N.C. App. 626, 184 S.E.2d 417 (1971).

When parents separate and later are divorced, the children of the marriage become the wards of the court and their welfare is the determining factor in custody proceedings. *Greer v. Greer*, 5 N.C. App. 160, 167 S.E.2d 782 (1969).

This statutory directive merely codified the rule which had been many times announced by the North Carolina Supreme Court to the effect that in custody cases the welfare of the child is the polar star by which the court's decision must ever be guided. In *re Custody of Pitts*, 2 N.C. App. 211, 162 S.E.2d 524 (1968); In *re Custody of Cox*, 17 N.C. App. 687, 195 S.E.2d 132 (1973).

The child's welfare is the principal consideration in determining custody matters. In *re Morrison*, 6 N.C. App. 47, 169 S.E.2d 228 (1969).

The primary consideration in custody cases is the welfare of the child or children involved. *Rothman v. Rothman*, 6 N.C. App. 401, 170 S.E.2d 140 (1969).

The welfare of the children is the determining factor in the custody proceedings and the award of custody based on that factor will be upheld when supported by competent evidence. In *re Custody of Poole*, 8 N.C. App. 25, 173 S.E.2d 545 (1970).

This section expresses the policy of the State that the best interest and welfare of the child is the paramount and controlling factor to guide the judge in determining the custody of a child. In *re Custody of Stancil*, 10 N.C. App. 545, 179 S.E.2d 844 (1971).

The best interest and welfare of the child is the paramount consideration in determining the visitation rights, as well as in determining the right to custody, and that neither of these rights should be permitted to jeopardize the best interest and welfare of the child. In *re Custody of Stancil*, 10 N.C. App. 545, 179 S.E.2d 844 (1971).

Although at one time under the common law the father was generally entitled to the custody of minor children, the courts at the present time almost invariably adhere to the principle that the welfare or best interest of the child is the paramount consideration. This was the rule adhered to by North Carolina courts for many years, and is now prescribed by this section. *Brooks v. Brooks*, 12 N.C. App. 626, 184 S.E.2d 417 (1971).

The welfare of the child is the paramount consideration which must guide the court in exercising its discretion. *Blackley v. Blackley*, 285 N.C. 358, 204 S.E.2d 678 (1974).

The welfare or best interests of the children in light of all the circumstances was the paramount consideration to guide the court in awarding custody of the minor children. *Harrington v. Harrington*, 286 N.C. 260, 210 S.E.2d 190 (1974).

**But Trial Court Has Wide Discretion.** — While the welfare of a child is always to be treated as the paramount consideration, the courts recognize that wide discretionary power is necessarily vested in the trial courts in reaching decisions in particular cases. *Swicegood v. Swicegood*, 270 N.C. 278, 154 S.E.2d 324 (1967); In *re Moore*, 8 N.C. App. 251, 174 S.E.2d 135 (1970).

The decision to award custody of a minor is vested in the discretion of the trial judge who has the opportunity to see the parties in person and to hear the witnesses, and his decision ought not to be upset on appeal absent a clear showing of abuse of discretion. In *re Custody of Pitts*, 2 N.C. App. 211, 162 S.E.2d 524 (1968); In *re Custody of Cox*, 17 N.C. App. 687, 195 S.E.2d 132 (1973).

Since the trial judge has the opportunity to see the parties in person and to hear the witnesses, it is mandatory that the trial judge be given a wide discretion in making his determination, and it is clear that his decision ought not to be upset on appeal absent a clear showing of abuse of discretion. In *re Custody of Stancil*, 10 N.C. App. 545, 179 S.E.2d 844 (1971).

The trial judge, who has the opportunity to see and hear the parties and the witnesses, is vested with broad discretion in cases involving custody of children. *Blackley v. Blackley*, 285 N.C. 358, 204 S.E.2d 678 (1974).

The trial court has broad discretion in deciding child custody cases. *Paschall v. Paschall*, 21 N.C. App. 120, 203 S.E.2d 337 (1974).

**Thus, instead of applying an inflexible rule, the court must consider all the facts of the case and decide the issue in accordance with the best interests of the child.** *Paschall v. Paschall*, 21 N.C. App. 120, 203 S.E.2d 337 (1974).

**Parents Have Right to Custody.** — Parents, including the mother of an illegitimate child, have the legal right to have the custody of their children unless clear and cogent reasons exist for denying them this right. This right is not absolute, and it may be interfered with or denied but only for the most substantial and sufficient reasons, and is subject to judicial control only when the interest and welfare of the children clearly require it. In *re Jones*, 14 N.C. App. 334, 188 S.E.2d 580 (1972).

**Which Is Forfeitable Only by Misconduct.** — The law presumes that the best interest of a child will be served by committing it to the custody of a parent, when the parent is a suitable person; this presumption is not overcome merely by showing that some third person can give the child better care and greater comforts and protection than the parent, a parent's right to custody of a child being forfeitable only by misconduct or by other facts which substantially affect the child's welfare. In *re Jones*, 14 N.C. App. 334, 188 S.E.2d 580 (1972).



**Award of Custody to Grandparents or Others.** — Where there are unusual circumstances and the best interests of the child justifies such action, a court may refuse to award custody to either the mother or father and instead award the custody of the child to grandparents or others. In re Custody of Stancil, 10 N.C. App. 545, 179 S.E.2d 844 (1971).

**Wishes of Child of Age of Discretion Are Entitled to Weight.** — The wishes of a child of sufficient age to exercise discretion in choosing a custodian are entitled to considerable weight when the contest is between the parents, but are not controlling. Hinkle v. Hinkle, 266 N.C. 189, 146 S.E.2d 73 (1966); In re Custody of Stancil, 10 N.C. App. 545, 179 S.E.2d 844 (1971).

A child has a right to have his testimony heard. It is still, however, within the discretion of the trial judge as to the weight to be attached to such testimony. Kearns v. Kearns, 6 N.C. App. 319, 170 S.E.2d 132 (1969).

A child may be a competent witness, and ought to be examined in that character. Indeed, being the party mainly concerned, he has a right to make a statement to the court as to his feelings and wishes upon the matter, and this ought to be allowed serious consideration by the court, in the exercise of its discretion, as to the person to whose control he is to be subjected. Kearns v. Kearns, 6 N.C. App. 319, 170 S.E.2d 132 (1969).

The child's wishes will be one factor considered by the court in determining his custody, usually not because of any legal right in the child to have his wishes granted, but because the consideration of such wishes will aid the court in making a custodial decree which is for the best interests and welfare of the child. Brooks v. Brooks, 12 N.C. App. 626, 184 S.E.2d 417 (1971).

**But Such Wishes Are Not Controlling.** — When the child has reached the age of discretion the court may consider the preference or wishes of the child to live with a particular person. A child has attained an age of discretion when it is of an age and capacity to form an intelligent or rational view on the matter. The expressed wish of a child of discretion is, however, never controlling upon the court, since the court must yield in all cases to what it considers to be for the child's best interests, regardless of the child's personal preference. Hinkle v. Hinkle, 266 N.C. 189, 146 S.E.2d 73 (1966).

A child's preference as to who shall have his custody is not controlling; however, the trial judge should consider the wishes of a ten-year-old child in making his determination. In re Custody of Stancil, 10 N.C. App. 545, 179 S.E.2d 844 (1971).

Where the contest is between a parent and one not connected by blood to the child, the desire of the child will not ordinarily prevail over the natural right of the parent, unless essential to

the child's welfare. In re Custody of Stancil, 10 N.C. App. 545, 179 S.E.2d 844 (1971).

Although the preference of a child of discretion would seem to have its greatest weight when the controversy is between the parents and both are fit persons, the child's wishes are only entitled to consideration and are not controlling. Brooks v. Brooks, 12 N.C. App. 626, 184 S.E.2d 417 (1971).

**Nor Is Verdict in Divorce Action.** — The verdict in a divorce action can be an important factor in the judge's consideration of an award of custody, but it is not legally controlling. It is merely one of the circumstances for him to consider, along with all other relevant factors. Stanback v. Stanback, 270 N.C. 497, 155 S.E.2d 221 (1967).

**Or Separation Agreement.** — Valid separation agreements, including consent judgments based on such agreements with respect to marital rights, are not final and binding as to custody of minor children. Hinkle v. Hinkle, 266 N.C. 189, 146 S.E.2d 73 (1966).

**A judgment awarding custody is based upon the conditions found to exist at the time it is entered.** Stanback v. Stanback, 266 N.C. 72, 145 S.E.2d 332 (1965).

**Courts are generally reluctant to deny all visitation rights to the divorced parent of a child of tender age, but it is generally agreed that visitation rights should not be permitted to jeopardize a child's welfare.** Swicegood v. Swicegood, 270 N.C. 278, 154 S.E.2d 324 (1967).

If the court finds that the parent has by conduct forfeited the right of visitation or if the court finds that the exercise of the right would be detrimental to the best interest and welfare of the child, the court may, in its discretion, deny a parent the right of visitation with, or access to, his or her child; but the court may not delegate this authority to the custodian. In re Custody of Stancil, 10 N.C. App. 545, 179 S.E.2d 844 (1971).

When the question of visitation rights of a parent arises, the court should determine from the evidence presented whether the parent by some conduct has forfeited the right or whether the exercise of the right would be detrimental to the best interest and welfare of the child. In re Custody of Stancil, 10 N.C. App. 545, 179 S.E.2d 844 (1971).

When visitation rights are awarded, it is the exercise of a judicial function, and the exercise of this judicial function may not be properly delegated by the court to the custodian of the child. In re Custody of Stancil, 10 N.C. App. 545, 179 S.E.2d 844 (1971).

A parent's right of visitation with his or her child is a natural and legal right and when awarding custody of a child to another, the court should not deny a parent's right of visitation at appropriate times unless the parent has by conduct forfeited the right or unless the exercise of the right would be detrimental to the best



interest and welfare of the child. In re Custody of Stancil, 10 N.C. App. 545, 179 S.E.2d 844 (1971).

**The court should not assign the granting of the privilege of visitation to the discretion of the party awarded custody of the child.** In re Custody of Stancil, 10 N.C. App. 545, 179 S.E.2d 844 (1971).

**Court Should Safeguard Visitation Rights by Provision in Order.** — If the court does not find that the parent has by conduct forfeited the right of visitation and does not find that the exercise of the right would be detrimental to the best interest and welfare of the child, the court should safeguard the parent's visitation rights by a provision in the order defining and establishing the time, place and conditions under which such visitation rights may be exercised. In re Custody of Stancil, 10 N.C. App. 545, 179 S.E.2d 844 (1971).

**Right of Surviving Parent to Custody.** — Where one parent is dead, the surviving parent has a natural and legal right to the custody and control of their minor children. This right is not absolute, and it may be interfered with or denied but only for the most substantial and sufficient reasons, and is subject to judicial control only when the interests and welfare of the children clearly require it. In re Custody of Griffin, 6 N.C. App. 375, 170 S.E.2d 84 (1969); In re Custody of Stancil, 10 N.C. App. 545, 179 S.E.2d 844 (1971); Vaughn v. Tyson, 14 N.C. App. 548, 188 S.E.2d 614 (1972).

**Father's Right to Custody When Mother Abandons Claim to Child.** — Where the mother abandons any claim she may have to the custody of her daughter, the father alone has the natural and legal right to the custody of the child unless for substantial and sufficient reasons the interest and welfare of the child require that he be denied that right. Roberts v. Short, 6 N.C. App. 419, 169 S.E.2d 910 (1969).

**Custody May Be Granted to Third Person.** — The welfare of the infants themselves is the polar star by which the courts are to be guided to a right conclusion, and, therefore, they may, within certain limits, exercise a sound discretion for the benefit of the child, and in some cases will order it into the custody of a third person for good and sufficient reasons. Roberts v. Short, 6 N.C. App. 419, 169 S.E.2d 910 (1969).

If the mother and the father are both fit and proper persons to have custody of children, under ordinary circumstances the court would then proceed to determine whether the best interest, health and welfare of the children would be served by awarding custody to the mother or father. If not, then the court must deal with someone or an agency over whom the court has control. But an order awarding custody, in effect, to third persons who are not parties to the proceeding, not a public institution, and not bound by the court's order, must be reversed.

Boone v. Boone, 8 N.C. App. 524, 174 S.E.2d 833 (1970).

**Where Custody Awarded to One Not Party to Proceeding.** — While the court, upon proper findings and conclusions, can award the custody of a minor child to any person, agency or institution as will best promote the interest and welfare of the child, where the court awarded custody of the child to one who is not a party to the proceeding, the proceeding should be remanded with directions that the trial court issue the necessary notices and orders to make her a party to this action to the end that the court has effective jurisdiction over her person. In re Custody of Edwards, 25 N.C. App. 608, 214 S.E.2d 215 (1975).

**District court was authorized to grant the father of an illegitimate child visitation privileges and to punish the mother for refusing to allow the father to visit his illegitimate child.** Conley v. Johnson, 24 N.C. App. 122, 210 S.E.2d 88 (1974).

**Appellate Review.** — The decision to award custody of a child is vested in the discretion of the trial judge who has the opportunity to see the parties in person and to hear the witnesses, and his decision ought not to be upset on appeal absent a clear showing of abuse of discretion. In re Moore, 8 N.C. App. 251, 174 S.E.2d 135 (1970).

Custody cases generally involve difficult decisions. The trial judge has the opportunity to see the parties in person and to hear the witnesses. It is mandatory, in such a situation, that the trial judge be given a wide discretion in making his determination, and it is clear that his decision ought not to be upset on appeal absent a clear showing of an abuse of discretion. In re Morrison, 6 N.C. App. 47, 169 S.E.2d 228 (1969).

The trial judge is vested with a wide discretion for he has an opportunity to observe the parties and the witnesses, and his decision ought not to be upset on appeal absent a clear showing of abuse of discretion. Jarman v. Jarman, 14 N.C. App. 531, 188 S.E.2d 647 (1972).

**Determining the custody of minor children is never the province of a jury;** it is that of the judge of the court in which the proceeding is pending. Stanback v. Stanback, 270 N.C. 497, 155 S.E.2d 221 (1967).

**The question of custody is one addressed to the trial court.** Hinkle v. Hinkle, 266 N.C. 189, 146 S.E.2d 73 (1966).

**Trial Court Must Make Findings of Fact.** — It is error for the court granting a decree of divorce to award the custody of a child without findings of fact from which it could be determined that the order was adequately supported by competent evidence and was for the best interest of the child. Swicegood v. Swicegood, 270 N.C. 278, 154 S.E.2d 324 (1967).

An order awarding custody of a child to the father, without any findings of fact other than a recital that the court had previously awarded



custody to the father in a proceeding under former § 17-39, was fatally defective and the case was remanded for detailed findings of fact. *Swicegood v. Swicegood*, 270 N.C. 278, 154 S.E.2d 324 (1967).

When the trial court fails to find facts so that the Supreme Court can determine that the order is adequately supported by competent evidence and the welfare of the child subserved, then the order entered thereon must be vacated and the case remanded for detail findings of fact. *Crosby v. Crosby*, 272 N.C. 235, 158 S.E.2d 77 (1967); *In re Moore*, 8 N.C. App. 251, 174 S.E.2d 135 (1970); *Austin v. Austin*, 12 N.C. App. 286, 183 S.E.2d 420 (1971).

**Such Findings Are Conclusive If Supported by Evidence.** — The findings of the trial court in regard to the custody of children are conclusive when supported by competent evidence. *Swicegood v. Swicegood*, 270 N.C. 278, 154 S.E.2d 324 (1967); *In re Moore*, 8 N.C. App. 251, 174 S.E.2d 135 (1970).

When the court finds that both parties are fit and proper persons to have custody of the children involved and then finds that it is to the best interests of the children for the father to have custody of said children, such holding will be upheld when it is supported by competent evidence. *Hinkle v. Hinkle*, 266 N.C. 189, 146 S.E.2d 73 (1966); *Boone v. Boone*, 8 N.C. App. 524, 174 S.E.2d 833 (1970).

The court's findings of fact as to the care and custody of children will not be disturbed when supported by competent evidence, even though the evidence be conflicting. *Crosby v. Crosby*, 272 N.C. 235, 158 S.E.2d 77 (1967); *In re Custody of Stancil*, 10 N.C. App. 545, 179 S.E.2d 844 (1971).

The trial judge is not required to find all the facts shown by the evidence. It is sufficient if enough material facts are found to support the judgment. *In re Custody of Stancil*, 10 N.C. App. 545, 179 S.E.2d 844 (1971).

When there has been a finding that both parents are fit and suitable to have custody, the

judge's order is conclusive when supported by evidence. *Kearns v. Kearns*, 6 N.C. App. 319, 170 S.E.2d 132 (1969).

The question of custody is one addressed to the trial court and its decision will be upheld if supported by competent evidence. *Roberts v. Short*, 6 N.C. App. 419, 169 S.E.2d 910 (1969).

The trial judge's findings of fact in custody orders are binding on the appellate courts if supported by competent evidence. *Blackley v. Blackley*, 285 N.C. 358, 204 S.E.2d 678 (1974).

**Lack of Finding as to Child's Preferences Insufficient to Upset Award.** — The failure of the court to include a finding as to the preferences of the minor child is insufficient to upset its order of award of custody. *Brooks v. Brooks*, 12 N.C. App. 626, 184 S.E.2d 417 (1971).

**Evidence Afforded by Affidavits.** — An order for custody should be entered only after the most careful consideration and only after the court has had the benefit of more reliable evidence than is usually afforded by affidavits. *In re Custody of Griffin*, 6 N.C. App. 375, 170 S.E.2d 84 (1969).

**Reassignment of Custody After Divorce Was Not Erroneous.** — Where the father failed to offer evidence of the mother's adultery at the divorce trial but after the divorce moved for a change of custody on that ground, the trial court's reassignment of custody of the child to the father due to material change of circumstances since the date of the divorce was not erroneous merely because the crucial circumstances, e.g., the mother's adultery, existed before divorce. The child should not be placed in the custody of an unfit parent merely because the other parent failed to introduce evidence at the proper stage of the litigation. *Paschall v. Paschall*, 21 N.C. App. 120, 203 S.E.2d 337 (1974).

**Applied in State v. Wrenn**, 16 N.C. App. 411, 191 S.E.2d 913 (1972); *Powell v. Powell*, 25 N.C. App. 695, 214 S.E.2d 808 (1975).

**§ 50-13.3. Enforcement of order for custody.** — (a) The wilful disobedience of an order providing for the custody of a minor child shall be punishable as for contempt as provided by G.S. 5-8 and G.S. 5-9.

(b) Any court of this State having jurisdiction to make an award of custody of a minor child in an action or proceeding therefor, shall have the power of injunction in such action or proceeding as provided in article 37 of chapter 1 of the General Statutes and G.S. 1A-1, Rule 65. (1967, c. 1153, s. 2; 1969, c. 895, s. 16.)

**Cross Reference.** — See note to § 50-13.1.

**Editor's Note.** — The 1969 amendment added "and G.S. 1A-1, Rule 65" at the end of subsection (b).

Session Laws 1969, c. 895, s. 21, provides: "This act shall be in full force and effect on and

after January 1, 1970, and shall apply to actions and proceedings pending on that date as well as to actions and proceedings commenced on and after that date. This act takes effect on the same date as chapter 954 of the Session Laws of 1967, entitled an Act to Amend the Laws Relating to



Civil Procedure. In the construction of that act and this act, no significance shall be attached to the fact that this act was enacted at a later date."

**"Wilful" Imports Knowledge and Stubborn Resistance.** — A failure to obey an order of a court cannot be punished by contempt proceedings unless the disobedience is wilful, which imports knowledge and a stubborn resistance. *Cox v. Cox*, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

**Trial Court Must Find Defendant Possessed Means to Comply.** — In order to punish by contempt proceedings, the trial court must find as a fact that the defendant possessed the means to comply with orders of the court during the period when he was in default. *Cox v. Cox*, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

Where the court enters judgment as for civil contempt, the court must find not only failure to comply with the order but that the defendant presently possesses the means to comply. *Cox v. Cox*, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

One does not act wilfully in failing to comply with a judgment if it has not been within his

power to do so since the judgment was rendered. *Cox v. Cox*, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

**Facts Not Reviewable Except upon Their Sufficiency.** — In proceedings for contempt the facts found by the judge are not reviewable except for the purpose of passing upon their sufficiency to warrant the judgment. *Cox v. Cox*, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

**Person in Contempt May Be Required to Pay Counsel Fees.** — The court is vested with broad power when it is authorized to punish "as for contempt." This power includes the authority for a district court judge to require one whom he has found in wilful contempt of court for failure to comply with a child support order entered pursuant to § 50-13.1 et seq., to pay reasonable counsel fees to opposing counsel as a condition to being purged of contempt. *Blair v. Blair*, 8 N.C. App. 61, 173 S.E.2d 513 (1970).

**Cited in Boston v. Freeman**, 6 N.C. App. 736, 171 S.E.2d 206 (1969); **Johnson v. Johnson**, 14 N.C. App. 378, 188 S.E.2d 711 (1972).

**§ 50-13.4. Action for support of minor child.** — (a) Any parent, or any person, agency, organization or institution having custody of a minor child, or bringing an action or proceeding for the custody of such child, or a minor child by his guardian may institute an action for the support of such child as hereinafter provided.

(b) In the absence of pleading and proof that circumstances of the case otherwise warrant, the father, the mother, or any person, agency, organization or institution standing in loco parentis shall be liable, in that order, for the support of a minor child. Such other circumstances may include, but shall not be limited to, the relative ability of all the above-mentioned parties to provide support or the inability of one or more of them to provide support, and the needs and estate of the child. Upon proof of such circumstances the judge may enter an order requiring any one or more of the above-mentioned parties to provide for the support of the child, as may be appropriate in the particular case, and if appropriate the court may authorize the application of any separate estate of the child to his support.

(c) Payments ordered for the support of a minor child shall be in such amount as to meet the reasonable needs of the child for health, education, and maintenance, having due regard to the estates, earnings, conditions, accustomed standard of living of the child and the parties, and other facts of the particular case.

(d) Payments for the support of a minor child shall be ordered to be paid to the person having custody of the child or any other proper person, agency, organization or institution, or to the court, for the benefit of such child.

(e) Payment for the support of a minor child shall be paid by lump sum payment, periodic payments, or by transfer of title or possession of personal property or any interest therein, or a security interest in real property, as the court may order. In every case in which payment for the support of a minor child is ordered and alimony or alimony pendente lite is also ordered, the order shall separately state and identify each allowance.

(f) Remedies for enforcement of support of minor children shall be available as herein provided.



- (1) The court may require the person ordered to make payments for the support of a minor child to secure the same by means of a bond, mortgage or deed of trust, or any other means ordinarily used to secure an obligation to pay money or transfer property, or by requiring the execution of an assignment of wages, salary or other income due or to become due.
- (2) If the court requires the transfer of real or personal property or an interest therein as provided in subsection (e) as a part of an order for payment of support for a minor child, or for the securing thereof, the court may also enter an order which shall transfer title as provided in G.S. 1A-1, Rule 70 and G.S. 1-228.
- (3) The remedy of arrest and bail, as provided in Article 34 of Chapter 1 of the General Statutes, shall be available in actions for child-support payments as in other cases.
- (4) The remedies of attachment and garnishment, as provided in Article 35 of Chapter 1 of the General Statutes, shall be available in an action for child-support payments as in other cases, and for such purposes the child or person bringing an action for child support shall be deemed a creditor of the defendant. In addition, an independent garnishment proceeding, as provided in G.S. 110-136, shall be available for enforcement of child-support obligations.
- (5) The remedy of injunction, as provided in Article 37 of Chapter 1 of the General Statutes and G.S. 1A-1, Rule 65, shall be available in actions for child support as in other cases.
- (6) Receivers, as provided in Article 38 of Chapter 1 of the General Statutes, may be appointed in actions for child support as in other cases.
- (7) A minor child or other person for whose benefit an order for the payment of child support has been entered shall be a creditor within the meaning of Article 3 of Chapter 39 of the General Statutes pertaining to fraudulent conveyances.
- (8) A judgment for child support shall not be a lien against real property unless the judgment expressly so provides, sets out the amount of the lien in a sum certain, and adequately describes the real property affected; but past due periodic payments may by motion in the cause or by a separate action be reduced to judgment which shall be a lien as other judgments.
- (9) The willful disobedience of an order for the payment of child support shall be punishable as for contempt as provided by G.S. 5-8 and 5-9.
- (10) The remedies provided by Chapter 1 of the General Statutes, Article 28, Execution; Article 29B, Execution Sales; and Article 31, Supplemental Proceedings, shall be available for the enforcement of judgments for child support as in other cases, but amounts so payable shall not constitute a debt as to which property is exempt from execution as provided in Article 32 of Chapter 1 of the General Statutes.
- (11) The specific enumeration of remedies in this section shall not constitute a bar to remedies otherwise available. (1967, c. 1153, s. 2; 1969, c. 895, s. 17; 1975, c. 814.)

**Local Modification.** — Person: 1967, c. 848, s. 2.

The 1975 amendment added the second sentence in subdivision (f)(4).

**Cross Reference.** — See note to § 50-13.1.

**Editor's Note.** — The 1969 amendment substituted "G.S. 1A-1, Rule 70" for "G.S. 1-227" in subdivision (2) of subsection (f) and inserted "and G.S. 1A-1, Rule 65" in subdivision (5) of subsection (f).

Session Laws 1969, c. 895, s. 21, provides: "This act shall be in full force and effect on and after January 1, 1970, and shall apply to actions and proceedings pending on that date as well as to actions and proceedings commenced on and after that date. This act takes effect on the same date as chapter 954 of the Session Laws of 1967,



entitled an Act to Amend the Laws Relating to Civil Procedure. In the construction of that act and this act, no significance shall be attached to the fact that this act was enacted at a later date."

**"Minor Child" under Prior Law.** — Before the enactment of Chapter 48A, it was evident that the meaning of "minor child" within the purview of the custody and support statutes, § 50-13.4 et seq., contemplated the common-law age of majority, 21. Shoaf v. Shoaf, 14 N.C. App. 231, 188 S.E.2d 19 (1972).

**The ultimate object in setting awards of child support** is to secure support commensurate with the needs of the children and the ability of the father to meet the needs. Gibson v. Gibson, 24 N.C. App. 520, 211 S.E.2d 522 (1975).

**Legal Obligation to Support Minor.** — After the enactment of § 48A-2, one's legal obligation to support his child ends at age 18, absent a showing that the child is insolvent, unmarried and physically or mentally incapable of earning a livelihood. Shoaf v. Shoaf, 14 N.C. App. 231, 188 S.E.2d 19 (1972).

The statutes concerning child support, § 50-13.4 et seq., all use the term "minor," "minor child" or "minor children," never referring to age 21. Therefore, in substituting the new meaning of "minor" provided by Chapter 48A into the statutes, the legal obligation to support one's child ends at age 18, absent a showing that the child is insolvent, unmarried and physically or mentally incapable of earning a livelihood as contemplated by § 50-13.8. Crouch v. Crouch, 14 N.C. App. 49, 187 S.E.2d 348 (1972).

**Parents May Contract for Support in Excess of Legal Obligation.** — Contracts between parents providing for support and educational expenses of their children over and above their legal obligation to do so are binding and must be construed as any other contract. Shoaf v. Shoaf, 14 N.C. App. 231, 188 S.E.2d 19 (1972).

**Parties Cannot Consent to Improperly Based Order.** — The parties, by their consent, cannot enable a trial judge to enter an order not based upon consideration of the several factors listed in subsection (c) and § 50-16.5(a). Williamson v. Williamson, 20 N.C. App. 669, 202 S.E.2d 489 (1974).

**Separation Agreements Are Not Binding on Court.** — Valid separation agreements, including consent judgments with respect to marital rights based on such agreements, are not final and binding as to the amount to be provided for the support and education of minor children. Hinkle v. Hinkle, 266 N.C. 189, 146 S.E.2d 73 (1966) (decided under former § 50-13).

**But Separation Agreement Cannot Be Ignored.** — Provisions of a valid separation agreement including a consent judgement based thereon, cannot be ignored or set aside by the court without the consent of the parties. Hinkle

v. Hinkle, 266 N.C. 189, 146 S.E.2d 73 (1966), decided under former § 50-13.

**Allowances to Be Separated.** — The allowance to be separated in the order, as required by subsection (e), are the support payment for the minor child or children from the amount ordered for alimony or alimony pendente lite payments. Brooks v. Brooks, 12 N.C. App. 626, 184 S.E.2d 417 (1971).

**Failure to Separate Is Error.** — The trial court erred in failing to separately state and identify the allowances for alimony pendente lite and child support as required by subsection (e). Manning v. Manning, 20 N.C. App. 149, 201 S.E.2d 46 (1973).

**Court Need Not Designate Amounts for Each Child.** — Subsection (e) does not require the trial court to designate the amount of support payments for each child, although such designation may prove helpful to simplify any future adjustments or modifications. Brooks v. Brooks, 12 N.C. App. 626, 184 S.E.2d 417 (1971).

**And Failure to Identify Purposes of Payments Is Not Error.** — The better practice is for the court's order to relate that the payment ordered under this section is the amount necessary to meet the reasonable needs of the child for health, education, and maintenance, but the failure of the court to do so, does not constitute reversible error. Andrews v. Andrews, 12 N.C. App. 410, 183 S.E.2d 843 (1971).

**"Wilful" Imports Knowledge and Stubborn Resistance.** — A failure to obey an order of a court cannot be punished by contempt proceedings unless the disobedience is wilful, which imports knowledge and a stubborn resistance. Cox v. Cox, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

To constitute wilful disobedience there must be an ability to comply with the court order and a deliberate and intentional failure to do so. Bennett v. Bennett, 21 N.C. App. 390, 204 S.E.2d 554 (1974).

**Trial Court Must Find Defendant Possessed Means to Comply.** — Where the lower court had not found as a fact that the defendant possessed the means to comply with the orders for payment of subsistence pendente lite at any time during the period when he was in default in such payments, the findings that the defendant's failure to make the payments of subsistence was deliberate and wilful was not supported by the record, and the decree committing him to imprisonment for contempt was set aside. Cox v. Cox, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

One does not act wilfully in failing to comply with a judgment if it has not been within his power to do so since the judgment was rendered. Cox v. Cox, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

Where the court enters judgment as for civil contempt, the court must find not only failure to



comply with the order but that the defendant presently possesses the means to comply. *Cox v. Cox*, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

In order to punish by contempt proceedings, the trial court must find as a fact that the defendant possessed the means to comply with orders of the court during the period when he was in default. *Cox v. Cox*, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

**A defendant may not deliberately divest himself of his property** and in effect pauperize himself for appearance at a hearing for contempt and thereby escape punishment because he is at that time unable to comply with the court order. *Bennett v. Bennett*, 21 N.C. App. 390, 204 S.E.2d 554 (1974).

**Agreement of Parties Incorporated in Judgment Is Enforceable by Contempt Proceedings.** — Where, in the wife's action for alimony and child support, the parties agreed to the terms of a judgment providing that the husband would make specified monthly support payments, and the judgment entered by the court ordered the husband to make the payments which he had agreed to make, the husband's obligation to make the support payments may be enforced by contempt proceedings. *Parker v. Parker*, 13 N.C. App. 616, 186 S.E.2d 607 (1972).

**Facts Not Reviewable Except upon Their Sufficiency.** — In proceedings for contempt the facts found by the judge are not reviewable except for the purpose of passing upon their sufficiency to warrant the judgment. *Cox v. Cox*, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

**Appellate Review of Amount Allowed by Court.** — The amount allowed by the court for alimony and support of children of the marriage will be disturbed on appeal only where there is a gross abuse of discretion. *Swink v. Swink*, 6 N.C. App. 161, 169 S.E.2d 539 (1969).

The amount allowed for the support of children by order of the trial judge will be disturbed only where there is gross abuse of discretion. *Sawyer v. Sawyer*, 21 N.C. App. 293, 204 S.E.2d 224 (1974).

The amount awarded by the trial court for alimony and child support will be disturbed only upon a showing of an abuse of discretion. *Gibson v. Gibson*, 24 N.C. App. 520, 211 S.E.2d 522 (1975).

**Person in Contempt May Be Required to Pay Counsel Fees.** — The court is vested with broad power when it is authorized to punish "as for contempt." This power includes the authority for a district court judge to require one whom he has found in wilful contempt of court for failure to comply with a child support order entered pursuant to § 50-13.1 et seq., to pay reasonable counsel fees to opposing counsel as a condition to being purged of contempt. *Blair v. Blair*, 8 N.C. App. 61, 173 S.E.2d 513 (1970).

**And May Be Committed to Jail for Indefinite Term.** — When a defendant has the present means to comply with a court order and deliberately refuses to comply, there is a present and continuing contempt and the court may commit such defendant to jail for an indefinite term, that is, until he complies with the order. *Bennett v. Bennett*, 21 N.C. App. 390, 204 S.E.2d 554 (1974).

**Finding of Fact as to Ability to Comply Required Prior to Incarceration for Contempt.** — There must be a specific finding of fact supported by competent evidence to the effect that defendant possesses the means to comply with the court order before he can be incarcerated for contempt until compliance. *Bennett v. Bennett*, 21 N.C. App. 390, 204 S.E.2d 554 (1974).

**Past contempt cannot be ignored by the court** even if at the exact time of the contempt hearing the defendant does not have means to comply with the order for child support. *Bennett v. Bennett*, 21 N.C. App. 390, 204 S.E.2d 554 (1974).

**Nonresident Defendant May Be Required to Post Bond.** — Under subsection (f)(1) and § 50-16.7(b), the court properly required supporting spouse to post a security bond to secure his compliance with a judgment requiring him to make monthly payments for support of his wife and children, where the court found that defendant no longer resided within the State and that he had no attorney of record in the case. *Parker v. Parker*, 13 N.C. App. 616, 186 S.E.2d 607 (1972).

**Income from Trust Administered in State Is Subject to Execution.** — In a wife's action for divorce from bed and board and for permanent alimony, the husband's income from a trust created in another jurisdiction and administered by a trustee bank in this State is subject to execution to satisfy the judgment of the wife against the husband for alimony, child support and counsel fees. *Swink v. Swink*, 6 N.C. App. 161, 169 S.E.2d 539 (1969).

**Applied in** *Kearns v. Kearns*, 6 N.C. App. 319, 170 S.E.2d 132 (1969); *Little v. Little*, 9 N.C. App. 361, 176 S.E.2d 521 (1970); *Williams v. Williams*, 12 N.C. App. 170, 182 S.E.2d 667 (1971); *Williams v. Williams*, 13 N.C. App. 468, 186 S.E.2d 210 (1972); *Carter v. Carter*, 13 N.C. App. 648, 186 S.E.2d 684 (1972); *Stanback v. Stanback*, 287 N.C. 448, 215 S.E.2d 30 (1975); *Brady v. Brady*, 24 N.C. App. 663, 211 S.E.2d 823 (1975).

**Quoted in** *Robinson v. Robinson*, 10 N.C. App. 463, 179 S.E.2d 144 (1971).

**Cited in** *Boston v. Freeman*, 6 N.C. App. 736, 171 S.E.2d 206 (1969); *Hill v. Hill*, 11 N.C. App. 1, 180 S.E.2d 424 (1971); *Johnson v. Johnson*, 14 N.C. App. 378, 188 S.E.2d 711 (1972); *Koob v. Koob*, 16 N.C. App. 326, 192 S.E.2d 40 (1972), aff'd, 283 N.C. 129, 195 S.E.2d 552 (1973).



**§ 50-13.5. Procedure in actions for custody or support of minor children.**

— (a) Procedure. — The procedure in actions for custody and support of minor children shall be as in civil actions, except as herein provided. The procedure in habeas corpus proceedings for custody and support of minor children shall be as in other habeas corpus proceedings, except as herein provided. In this § 50-13.5 the words “custody and support” shall be deemed to include custody or support, or both.

(b) Type of action. — An action brought under the provisions of this section may be maintained as follows:

- (1) As a civil action.
- (2) By writ of habeas corpus, and the parties may appeal from the final judgment therein as in civil actions.
- (3) Joined with an action for annulment, or an action for divorce, either absolute or from bed and board, or an action for alimony without divorce.
- (4) As a cross action in an action for annulment, or an action for divorce, either absolute or from bed and board, or an action for alimony without divorce.
- (5) By motion in the cause in an action for annulment, or an action for divorce, either absolute or from bed and board, or an action for alimony without divorce.
- (6) Upon the court's own motion in an action for annulment, or an action for divorce, either absolute or from bed and board, or an action for alimony without divorce.
- (7) In any of the foregoing the judge may issue an order requiring that the body of the minor child be brought before him.

(c) Jurisdiction in Actions or Proceedings for Child Support and Child Custody. —

- (1) The jurisdiction of the courts of this State to enter orders providing for the support of a minor child shall be as in actions or proceedings for the payment of money or the transfer of property.
- (2) The courts of this State shall have jurisdiction to enter orders providing for the custody of a minor child when:
  - a. The minor child resides, has his domicile, or is physically present in this State, or
  - b. When the court has personal jurisdiction of the person, agency, organization, or institution having actual care, control, and custody of the minor child.
- (3) The respective rights of persons, agencies, organizations, or institutions claiming the right to custody of a minor child may be adjudicated even though the minor child is not actually before the court.
- (4) Jurisdiction acquired under subdivisions (2) and (3) hereof shall not be divested by a change in circumstances while the action or proceeding is pending.
- (5) If at any time a court of this State having jurisdiction of an action or proceeding for the custody of a minor child finds as a fact that a court in another state has assumed jurisdiction to determine the matter, and that the best interests of the child and the parties would be served by having the matter disposed of in that jurisdiction, the court of this State may, in its discretion, refuse to exercise jurisdiction, and dismiss the action or proceeding or may retain jurisdiction and enter such orders from time to time as the interest of the child may require.
- (6) If at any time a court of this State having jurisdiction of an action or proceeding for the custody of a minor child finds as a fact that it would not be in the best interests of the child, or that it would work substantial injustice, for the action or proceeding to be tried in a court of this State,



and that jurisdiction to determine the matter has not been assumed by a court in another state, the judge, on motion of any party, may enter an order to stay further proceedings in the action in this State. A moving party under this subdivision must stipulate his consent to suit in another jurisdiction found by the judge to provide a convenient, reasonable and fair place of trial. The court may retain jurisdiction of the matter for such time and upon such terms as it provides in its order

(d) Service of Process; Notice; Interlocutory Orders. —

(1) Service of process in civil actions or habeas corpus proceedings for the custody of minor children shall be as in other civil actions or habeas corpus proceedings. Motions for custody or support of a minor child in a pending action may be made on five days' notice to the other parties and compliance with G.S. 50-13.5 (e).

(2) If the circumstances of the case render it appropriate, upon gaining jurisdiction of the minor child the court may enter orders for the temporary custody and support of the child, pending the service of process or notice as herein provided.

(e) Notice to Additional Persons in Custody Actions and Proceedings; Intervention. —

(1) The parents of the minor child whose addresses are reasonably ascertainable; any person, agency, organization or institution having actual care, control, or custody of a minor child; and any person, agency, organization or institution required by court order to provide for the support of a minor child, either in whole or in part, not named as parties and served with process in an action or proceeding for the custody of such child, shall be given notice by the party raising the issue of custody.

(2) The notice herein required shall be in the manner provided by the rules of civil procedure for the service of notices in actions. Such notice shall advise the person to be notified of the name of the child, the names of the parties to the action or proceeding, the court in which the action or proceeding was instituted, and the date thereof.

(3) In the discretion of the court, failure of such service of notice shall not affect the validity of any order or judgment entered in such action or proceeding.

(4) Any person required to be given notice as herein provided may intervene in an action or proceeding for custody of a minor child by filing in apt time notice of appearance or other appropriate pleadings.

(f) Venue. — An action or proceeding in the courts of this State for custody and support of a minor child may be maintained in the county where the child resides or is physically present or in a county where a parent resides, except as hereinafter provided. If an action for annulment, for divorce, either absolute or from bed and board, or for alimony without divorce has been previously instituted in this State, until there has been a final judgment in such case, any action or proceeding for custody and support of the minor children of the marriage shall be joined with such action or be by motion in the cause in such action. If an action or proceeding for the custody and support of a minor child has been instituted and an action for annulment or for divorce, either absolute or from bed and board, or for alimony without divorce is subsequently instituted in the same or another county, the court having jurisdiction of the prior action or proceeding may, in its discretion direct that the action or proceeding for custody and support of a minor child be consolidated with such subsequent action, and in the event consolidation is ordered, shall determine in which court such consolidated action or proceeding shall be heard.

(g) Custody and Support Irrespective of Parents' Rights Inter Partes. — Orders for custody and support of minor children may be entered when the



matter is before the court as provided by this section, irrespective of the rights of the wife and the husband as between themselves in an action for annulment or an action for divorce, either absolute or from bed and board, or an action for alimony without divorce.

(h) **Court Having Jurisdiction.** — When a district court having jurisdiction of the matter shall have been established, actions or proceedings for custody and support of minor children shall be heard without a jury by the judge of such district court, and may be heard at any time.

(i) **District Court; Denial of Parental Visitation Right; Written Finding of Fact.** — In any case in which an award of child custody is made in a district court, the trial judge, prior to denying a parent the right of reasonable visitation, shall make a written finding of fact that the parent being denied visitation rights is an unfit person to visit the child or that such visitation rights are not in the best interest of the child. (1858-9, c. 53, s. 2; 1871-2, c. 193, ss. 39, 46; Code, ss. 1292, 1296, 1570, 1662; Rev., ss. 1567, 1570, 1854; 1919, c. 24; C. S., ss. 1664, 1667, 2242; 1921, c. 13; 1923, c. 52; 1939, c. 115; 1941, c. 120; 1943, c. 194; 1949, c. 1010; 1951, c. 893, s. 3; 1953, cc. 813, 925; 1955, cc. 814, 1189; 1957, c. 545; 1965, c. 310, s. 2; 1967, c. 1153, s. 2; 1971, c. 1185, s. 24; 1973, c. 751.)

**Cross Reference.** — See note to § 50-13.1.

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, in subsection (h), deleted the former second and third sentences concerning jurisdiction, in or out of session, of certain custody and support of minor children actions or proceedings until a district court having jurisdiction shall have been established, and deleted a former fourth sentence providing: "If a court other than the superior court has jurisdiction over such action or proceeding, such jurisdiction shall not be affected by this subsection 50-13.5 (h)."

The 1973 amendment, effective June 1, 1973, added subsection (i).

A number of cases in the following note were decided under former § 50-13, which dealt with custody and maintenance of children in actions for divorce, and former § 50-16, which dealt with custody and support of children in proceedings for alimony without divorce.

For note on voluntary nonsuit in custody action, see 44 N.C.L. Rev. 1138 (1966). For note on choice of law rules in North Carolina, see 48 N.C.L. Rev. 243 (1970).

**Time-tested methods for assuring an adequate and fair hearing must be applied in child custody proceedings.** In re Custody of Griffin, 6 N.C. App. 375, 170 S.E.2d 84 (1969).

**Function of Court in Custody Proceeding.** — In a custody proceeding, it is not the function of the courts to punish or reward a parent by withholding or awarding custody of minor children; the function of the court in such a proceeding is to diligently seek to act for the best interests and welfare of the minor child. In re McCraw Children, 3 N.C. App. 390, 165 S.E.2d 1 (1969).

**No Agreement, etc., between Parents Can Interfere with Such Function.** — It is the court's duty to award custody in accordance with

the best interests of the child, and no agreement, consent or condition between the parents can interfere with this duty or bind the court. Spence v. Durham, 283 N.C. 671, 198 S.E.2d 537 (1973).

**Discretion of Trial Judge.** — Custody cases often involve difficult decisions; however, it is necessary that the trial judge be given wide discretion in making his determination for the trial judge has the opportunity to see the parties in person and to hear the witnesses. Pruneau v. Sanders, 25 N.C. App. 510, 214 S.E.2d 288 (1975).

**The welfare of the children in controversies involving custody is the polar star** by which the courts must be guided in awarding custody. Pruneau v. Sanders, 25 N.C. App. 510, 214 S.E.2d 288 (1975).

**The custody and support issue may be determined in an independent action** in another court after final judgment in a previously instituted action between the parents, where custody and support has not been brought to issue or determined. In re Holt, 1 N.C. App. 108, 160 S.E.2d 90 (1968).

The custody and support issue may be determined in an independent action in another court, where custody and support has not been brought to issue or determined. Wilson v. Wilson, 11 N.C. App. 397, 181 S.E.2d 190 (1971).

Subsections (b) and (f), when considered together, permit questions of custody and support to be determined in independent actions, rather than only through a motion in the cause, where a divorce judgment has been entered without a determination of custody and support in that judgment. Johanson v. Johnson, 14 N.C. App. 378, 188 S.E.2d 711 (1972).

If a final judgment has been rendered in an action for annulment, divorce, or alimony without divorce, wherein there has not been a determination of the custody and support of the minor child, those questions may be determined



subsequently in a civil action or in a habeas corpus proceeding instituted for this purpose, or by a motion in the cause in the earlier action. *Johnson v. Johnson*, 14 N.C. App. 378, 188 S.E.2d 711 (1972).

**Justice to all parties is best served when one judge is able to see the controversy whole.** This section so provides. In *re King*, 3 N.C. App. 466, 165 S.E.2d 60 (1969).

**Distinction between Divorce Actions and Habeas Corpus Proceedings.** — In divorce actions, the marital rights and obligations of both husband and wife, as well as the custody and support of the children of the marriage, are before the court in a single action. In a habeas corpus proceeding the judge has jurisdiction of only one facet of the marital dispute, the custody and support of the children. In *re King*, 3 N.C. App. 466, 165 S.E.2d 60 (1969).

**Appeal from Judgment Rendered on Return to Habeas Corpus Writ.** — Except in cases involving the custody of minor children, no appeal lies from a judgment rendered on return to a writ of habeas corpus. In *re Custody of Wright*, 8 N.C. App. 330, 174 S.E.2d 27 (1970).

**An independent action is not the exclusive procedure** to be followed. Granting an alternative method for determining custody and support where a final judgment of divorce has been entered was intended to eliminate the often times inconvenient requirement that a parent living in another county go back to the county where a divorce was obtained in order to have custody and support of minor children initially determined. *Johnson v. Johnson*, 14 N.C. App. 378, 188 S.E.2d 711 (1972).

**Joinder of Actions Permissible.** — It is permissible under subsection (b)(3) of this section for the wife to join this action for custody and support of the minor children of the parties in her action for alimony without divorce. *Little v. Little*, 9 N.C. App. 361, 176 S.E.2d 521 (1970).

**Permitting Custody Orders in Alimony Actions Created Additional Method of Determining Issues as to Children.** — The 1955 amendment to former § 50-16, which provided that custody orders were authorized "in the same manner as such orders are entered by the court in an action for divorce," bolstered the decision in *Blankenship v. Blankenship*, 256 N.C. 638, 124 S.E.2d 857 (1962), which held that that section created an additional method whereby all questions relating to custody and child support were brought into and determined in the suit for alimony without divorce, in one action. In the *Matter of Custody of Sauls*, 270 N.C. 180, 154 S.E.2d 327 (1967).

**Divorce Action Gives Court Jurisdiction of Custody.** — In divorce actions, whether for the dissolution of the marriage or from bed and board, the court in which the action is brought acquires jurisdiction over the custody of the

unemancipated children of the parties. *Stanback v. Stanback*, 266 N.C. 72, 145 S.E.2d 332 (1965).

When a divorce action is instituted, jurisdiction over the custody of the children born of the marriage vests exclusively in the court before whom the divorce action is pending and becomes a concomitant part of the court's jurisdiction in the divorce action. In the *Matter of Custody of Sauls*, 270 N.C. 180, 154 S.E.2d 327 (1967).

A court in which a divorce action was tried has jurisdiction to determine custody and support of children of the marriage even though no custody or support questions were raised prior to, or determined in, the final judgment of divorce. *Johnson v. Johnson*, 14 N.C. App. 378, 188 S.E.2d 711 (1972).

Under subdivisions (2) and (3) of subsection (b) the court has jurisdiction to enter an order granting custody to either of the children's parents, both of whom are subject to the court's jurisdiction. *Johnson v. Johnson*, 14 N.C. App. 378, 188 S.E.2d 711 (1972).

**And Prior Habeas Corpus Decree Does Not Oust such Jurisdiction.** — A decree awarding the custody of a child in a habeas corpus proceeding does not oust the court of jurisdiction to hear and determine the custody of the child in a subsequent divorce proceeding. *Swicegood v. Swicegood*, 270 N.C. 278, 154 S.E.2d 324 (1967).

**But Custody Jurisdiction of Court Where Alimony Action Is Pending Is Not Lost.** — The general rule that exclusive custody jurisdiction is vested in the divorce court is subject to an exception: A court before which an action for alimony without divorce is pending does not lose its custody jurisdiction to the court of another county in which an action for divorce has been subsequently filed. In the *Matter of Custody of Sauls*, 270 N.C. 180, 154 S.E.2d 327 (1967).

**Jurisdiction Is Broad, Comprehensive and Plenary.** — The jurisdiction of the court to protect infants is broad, comprehensive, and plenary. *Spence v. Durham*, 283 N.C. 671, 198 S.E.2d 537 (1973).

**Jurisdiction Is Acquired When Child Is "Physically Present".** — Jurisdiction can be acquired under subsection (c)(2) a of this section when the child is "physically present" in this State. If the court had acquired jurisdiction the fact that the child subsequently left the State would not deprive the court of jurisdiction. *Hopkins v. Hopkins*, 8 N.C. App. 162, 174 S.E.2d 103 (1970).

By virtue of the physical presence of the child within the boundaries of this State, the district court has jurisdiction, upon a proper showing, to modify another state's decree as it pertains to the custody of the child. *Rothman v. Rothman*, 6 N.C. App. 401, 170 S.E.2d 140 (1969); *Pruneau v. Sanders*, 25 N.C. App. 510, 214 S.E.2d 288 (1975).



When a child whose custody is in dispute comes into the State, the State's courts have jurisdiction to determine whether or not conditions and circumstances have so changed since the entry of the custody decree that the child's best interests will be served by a change of custody. *Spence v. Durham*, 283 N.C. 671, 198 S.E.2d 537 (1973).

**And Continues as Long as Does "Physical Presence".** — Jurisdiction of the court to protect infants is continuing as long as the minor child whose custody is the subject of the decree remains physically within the jurisdiction. *Spence v. Durham*, 283 N.C. 671, 198 S.E.2d 537 (1973).

**Jurisdiction of Divorce Court Continues after Divorce.** — The jurisdiction of the court over the custody of unemancipated children of the parties in a divorce action continues even after divorce. *Stanback v. Stanback*, 266 N.C. 72, 145 S.E.2d 332 (1965).

A divorce action is pending for purposes of determining custody and support until the death of one of the parties or the youngest child born of the marriage reaches the age of maturity, whichever event shall first occur. *Johnson v. Johnson*, 14 N.C. App. 378, 188 S.E.2d 711 (1972).

A court in which a divorce action was tried has jurisdiction to determine a motion in the cause for custody and support of children of the marriage who now reside in another state and who were not present in this State when the motion was filed or at the time it was heard. *Johnson v. Johnson*, 14 N.C. App. 378, 188 S.E.2d 711 (1972).

**Custody and Support in Fieri.** — If the custody and support has been brought to issue or determined in the previously instituted action between the parents, there could be no final judgment in that case, because the issue of custody and support remains in fieri until the children have become emancipated. *Wilson v. Wilson*, 11 N.C. App. 397, 181 S.E.2d 190 (1971).

**Modification of Order Establishing Custody and Support.** — This section does not affect the situation where custody and support have already been determined and one of the parties seeks a modification. In such a case, the court first obtaining jurisdiction retains jurisdiction to the exclusion of all other courts and is the only proper court to bring an action for the modification of an order establishing custody and support. *Tate v. Tate*, 9 N.C. App. 681, 177 S.E.2d 455 (1970).

Upon motion of a party, or upon its own motion after due notice, the court may conduct a hearing to determine whether the decree should be modified. *Spence v. Durham*, 283 N.C. 671, 198 S.E.2d 537 (1973).

**Decree Subject to Alteration.** — It is generally recognized that decrees entered by courts in child custody and support matters are impermanent in character and are *res judicata*

of the issue only so long as the facts and circumstances remain the same as when the decree was rendered. The decree is subject to alteration upon a change of circumstances affecting the welfare of the child. *Tate v. Tate*, 9 N.C. App. 681, 177 S.E.2d 455 (1970).

**But Change in Circumstances Must Be Shown.** — A change in circumstances must be shown before an order relating to custody, support or alimony may be modified. *Pruneau v. Sanders*, 25 N.C. App. 510, 214 S.E.2d 288 (1975).

**Order Removing Habeas Corpus Proceeding to County of Subsequent Alimony Action Not Disturbed.** — In a habeas corpus proceeding instituted by the father to determine the right to custody of his minor son, the order of the court removing the proceeding on motion to a county in which the mother, subsequent to the service of the writ but before the hearing, had instituted an action for alimony without divorce and for the custody of the child, will not be disturbed. *In the Matter of Macon*, 267 N.C. 248, 147 S.E.2d 909 (1966).

**First Court to Acquire Jurisdiction Retains Jurisdiction.** — Except as provided in subsection (f), the ordinary rule of civil procedure applies to this section, namely, the first court to acquire jurisdiction of a cause retains jurisdiction to the exclusion of other courts. Thus, if a judgment involving the custody and the support of a minor child has been entered in this State (as in a habeas corpus proceeding, or in an action for divorce from bed and board, or in an action for alimony without divorce, or in a civil action), the judge trying a subsequent action for absolute divorce cannot interfere with the earlier judgment. Only the court of this State having entered the earlier judgment for custody and support of the minor child may modify or vacate it, upon a motion in the cause and a showing of a change of circumstances. *Tate v. Tate*, 9 N.C. App. 681, 177 S.E.2d 455 (1970).

**Action to Determine Support Is in Personam.** — Under subsection (c)(1) an action to determine the matter of support is in personam in nature. *Johnson v. Johnson*, 14 N.C. App. 378, 188 S.E.2d 711 (1972).

**Other Parties May Be Subjected to Jurisdiction to Same Extent as Original Parties.** — In an action to determine custody of a child, an order which was entered in the Court of Appeals making the paternal grandparents parties, pursuant to their motion, thereby subjected them to the jurisdiction of the Court of Appeals and of the trial court to the same extent as if they had been original parties plaintiff. *Brandon v. Brandon*, 10 N.C. App. 457, 179 S.E.2d 177 (1971).

**Five-Day Notice of Custody Hearing Not Absolute Right.** — Ordinarily a parent is entitled to at least five days notice (an intervening Saturday or Sunday excluded) of a



hearing involving the custody of a child, but this is not an absolute right and is subject to the rule relating to waiver of notice and to the rule that a new trial will not be granted for mere technical error which could not have affected the result, but only for error which is prejudicial amounting to the denial of a substantial right. *Brandon v. Brandon*, 10 N.C. App. 457, 179 S.E.2d 177 (1971).

**A party entitled to notice of a motion may waive such notice.** *Brandon v. Brandon*, 10 N.C. App. 457, 179 S.E.2d 177 (1971).

**And ordinarily does this by attending the hearing of the motion and participating in it.** *Brandon v. Brandon*, 10 N.C. App. 457, 179 S.E.2d 177 (1971).

**Case Properly Removed from Trial Docket When Claim to Alimony Abandoned.** — In a wife's action for alimony without divorce and for custody and support of the children, a trial court properly removed the case from the trial docket when the wife abandoned her claim to alimony, and the defendant was not entitled to a jury trial on the issue of abandonment of his children. *Ferguson v. Ferguson*, 9 N.C. App. 453, 176 S.E.2d 358 (1970).

**Affidavits Are Not Admissible to Establish Material Facts in Custody Proceedings.** — The question to be determined in child custody hearings is certainly as important as any presented in the usual contract or tort litigation. Affidavits are not, as a rule, admissible in the trial of contract and tort cases as independent evidence to establish facts material to the issues being tried and there is no more justification for resort to inferior evidence in child custody proceedings than in such other litigations. In *re Custody of Griffin*, 6 N.C. App. 375, 170 S.E.2d 84 (1969).

A party to a child custody proceeding must object when affidavits are offered or ask permission to cross-examine, else his silence gives consent. By implication, if timely objection is made, affidavits should not be received, at least not without affording an opportunity for cross-examination. In *re Custody of Griffin*, 6 N.C. App. 375, 170 S.E.2d 84 (1969).

**But Affidavits May Be Used as Basis of Order for Temporary Custody.** — If the circumstances of a particular case require, the court may enter an order for temporary custody, even pending service of process or notice under subsection (d)(1) of this section, and use of affidavits as a basis for finding necessary facts for such purpose may be appropriate. In *re Custody of Griffin*, 6 N.C. App. 375, 170 S.E.2d 84 (1969).

There may be occasions when there is considerable urgency for a temporary order for the custody of a child. In such instances the judge may reach a decision on the basis of affidavits and other evidence produced at a preliminary hearing. The persons who have

signed the affidavits are, of course, not present and there is no opportunity to cross-examine them, but this is said not to be objectionable because the ultimate right of examination will be afforded the parties at the trial of the cause. The real reason is that the welfare and custody of a small child is an urgent matter in which substantial harm can be caused by unnecessary delay. *Brandon v. Brandon*, 10 N.C. App. 457, 179 S.E.2d 177 (1971).

**An order of alimony without divorce and child support is temporary in nature, and if future circumstances justify a change, defendant is at liberty to seek relief in the trial court by motion in the cause.** *Fonvielle v. Fonvielle*, 8 N.C. App. 337, 174 S.E.2d 67 (1970).

In a wife's action for alimony without divorce and for child support, the Court of Appeals will not disturb an order of the trial court requiring the husband to make substantial payments to the wife for alimony and for support of the minor children, notwithstanding the husband's contention that he anticipates a substantial decrease in earning, since the order is temporary in nature and is subject to modification upon change of circumstances. *Fonvielle v. Fonvielle*, 8 N.C. App. 337, 174 S.E.2d 67 (1970).

**Temporary Custody Order.** — Under subsection (d)(2), in appropriate cases the court may enter orders for the temporary custody of a child pending the service of process. *Zajicek v. Zajicek*, 12 N.C. App. 563, 183 S.E.2d 850 (1971).

**Court Has Inherent Authority to Make Temporary Orders.** — A court having jurisdiction of children located within the State has the inherent authority to protect those children and make such temporary orders as their best interests may require. *MacKenzie v. MacKenzie*, 21 N.C. App. 403, 204 S.E.2d 561 (1974).

**All custody orders are from their very nature temporary** and founded upon conditions and circumstances existing at the time of the hearing. *Brandon v. Brandon*, 10 N.C. App. 457, 179 S.E.2d 177 (1971).

**When Subsection (c)(5) Is Satisfied.** — Subsection (c)(5) is satisfied by a finding that the courts of another state have assumed jurisdiction. *Taylor v. Taylor*, 20 N.C. App. 188, 201 S.E.2d 43 (1973).

**State Court May Yield to Court of Another State.** — Under appropriate circumstances, the court may decline to exercise further jurisdiction at any stage of the proceeding and may yield to the court of another state that has assumed jurisdiction. *MacKenzie v. MacKenzie*, 21 N.C. App. 403, 204 S.E.2d 561 (1974).

**Custody Decree of Another State Is Entitled to Full Faith and Credit in Absence of Change in Circumstances.** — A decree awarding the custody of a child, entered by the court of another state in an action for divorce from bed and board, is entitled to full faith and credit in



the courts of this State, unless a change of circumstances is shown which would justify a modification of the decree. *Rothman v. Rothman*, 6 N.C. App. 401, 170 S.E.2d 140 (1969).

Even if a child custody order entered in another state is entitled to full faith and credit, the courts of this State have jurisdiction to enter orders providing for the custody of children affected by such order when they are physically present in this State. *Spence v. Durham*, 16 N.C. App. 372, 191 S.E.2d 908 (1972).

The courts of this State will accord full faith and credit to the custody decree of a sister state which had jurisdiction of the parties and the cause as long as the circumstances attending its rendition remain unchanged. However, when a child whose custody is in dispute comes into this State the courts have jurisdiction to determine whether or not conditions and circumstances have so changed since the entry of the custody decree that the child's best interest will be served by a change of custody. *Swanson v. Swanson*, 22 N.C. App. 152, 205 S.E.2d 738 (1974); *Mathews v. Mathews*, 24 N.C. App. 551, 211 S.E.2d 513 (1975).

The district court had the authority to recognize and accord full faith and credit to the custody decree of the South Carolina court and to implement this judgment by ordering that the son be returned to the jurisdiction of that court, provided that it determine, pursuant to subdivision (c)(5), that the South Carolina family court assumed jurisdiction and that the best interests of the child and the parties would be served. *Mathews v. Mathews*, 24 N.C. App. 551, 211 S.E.2d 513 (1975).

**Court Has Jurisdiction to Modify Foreign Decree Upon Showing of Change in Circumstances.** — The trial court erred in refusing to hear evidence offered in a custody proceeding on the ground that full faith and credit prevented it from issuing any order other than one which would require compliance with the foreign decree, since the court has jurisdiction to modify the foreign decree upon a showing of changed circumstances, and it did not appear that the court was exercising the discretion to decline jurisdiction granted it by subsection (c)(5) of this section. In *re Kluttz*, 7 N.C. App. 383, 172 S.E.2d 95 (1970).

The Supreme Court of the United States has specifically held that where the court of one state is empowered to alter its own custody decree upon a showing of a change in circumstances affecting the question, the courts of another state may also modify it upon the same grounds. *Spence v. Durham*, 283 N.C. 671, 198 S.E.2d 537 (1973).

**Modification of Order without Changed Circumstances Is Error.** — The trial court errs in modifying a previous order as to custody of and support for the children in the absence of a motion for modification and absent any showing

of changed circumstances. *Smith v. Smith*, 15 N.C. App. 180, 189 S.E.2d 525 (1972).

**Mother Given Preference as Custodian.** — If the mother is a fit and proper person to have the custody of the children, other things being equal, the mother should be given their custody, in order that the children may not only receive her attention, care, supervision, and kindly advice, but also may have the advantage and benefit of a mother's love and devotion for which there is no substitute. *Spence v. Durham*, 283 N.C. 671, 198 S.E.2d 537 (1973).

Where the trial court found, upon supporting evidence, that the mother is now a stable, fit, and suitable custodian of her children, and their best interests require that their custody be awarded to her, the Supreme Court will affirm the award of custody. *Spence v. Durham*, 283 N.C. 671, 198 S.E.2d 537 (1973).

**Adultery.** — The establishment of adultery does not eo instanti juris et de jure render the guilty party unfit to have custody of minor children. In *re McCraw Children*, 3 N.C. App. 390, 165 S.E.2d 1 (1969).

A finding of adultery is sufficient to support a conclusion that the guilty party is unfit to have custody. There are many findings which would be sufficient to support a conclusion of unfitness, but it does not follow that they would always impel such a conclusion. In *re McCraw Children*, 3 N.C. App. 390, 165 S.E.2d 1 (1969).

Evidence of adulterous conduct, like evidence of other conduct, is relevant upon an inquiry of fitness of a person for the purpose of awarding custody of minor children to him or to her. In *re McCraw Children*, 3 N.C. App. 390, 165 S.E.2d 1 (1969).

The court committed prejudicial error in refusing to allow plaintiff to introduce evidence of defendant's adultery at a hearing on a custody motion. While evidence of adultery does not impel a finding of unfitness of the adulterous parent, it is relevant upon an inquiry of fitness of a person for the purpose of awarding custody of minor children to him or to her. *Darden v. Darden*, 20 N.C. App. 433, 201 S.E.2d 538 (1974).

**Decision on Custody Conclusive.** — The trial judge is present where he can observe and hear the parties and their witnesses, and ordinarily his decision on custody will be upheld if supported by competent evidence. In *re McCraw Children*, 3 N.C. App. 390, 165 S.E.2d 1 (1969).

The question of custody is addressed to the trial court, and its decision will be upheld if supported by competent evidence. *Brandon v. Brandon*, 10 N.C. App. 457, 179 S.E.2d 177 (1971).

**Jury Trial on Custody and Support Issue.** — Pursuant to subsection (h) of this section, a supporting spouse is not entitled to a jury trial on the matter of custody and support of minor children. *Austin v. Austin*, 12 N.C. App. 286, 183 S.E.2d 420 (1971).



**District court was authorized to grant the father of an illegitimate child visitation privileges** and to punish the mother for refusing to allow the father to visit his illegitimate child. *Conley v. Johnson*, 24 N.C. App. 122, 210 S.E.2d 88 (1974).

The principle that the father of an illegitimate child is not entitled to visitation privileges absent consent of the mother has been abrogated by statutes as well as case law. *Conley v. Johnson*, 24 N.C. App. 122, 210 S.E.2d 88 (1974).

**Applied** in *Kearns v. Kearns*, 6 N.C. App. 319, 170 S.E.2d 132 (1969); *Bonavia v. Torres*, 7 N.C.

App. 21, 171 S.E.2d 108 (1969); *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971); *Williams v. Williams*, 12 N.C. App. 170, 182 S.E.2d 667 (1971); *Snyder v. Snyder*, 18 N.C. App. 658, 197 S.E.2d 802 (1973); *Roberts v. Roberts*, 25 N.C. App. 198, 212 S.E.2d 411 (1975).

**Quoted** in *Blair v. Blair*, 8 N.C. App. 61, 173 S.E.2d 513 (1970).

**Stated** in *Williams v. Williams*, 13 N.C. App. 468, 186 S.E.2d 210 (1972).

**Cited** in *Texas v. Rhoades*, 7 N.C. App. 388, 172 S.E.2d 235 (1970); *In re Hopper*, 11 N.C. App. 611, 182 S.E.2d 228 (1971).

**§ 50-13.6. Counsel fees in actions for custody and support of minor children.** — In an action or proceeding for the custody or support, or both, of a minor child, including a motion in the cause for the modification or revocation of an existing order for custody or support, or both, the court may in its discretion order payment of reasonable attorney's fees to an interested party acting in good faith who has insufficient means to defray the expense of the suit. Before ordering payment of a fee in a support action, the court must find as a fact that the party ordered to furnish support has refused to provide support which is adequate under the circumstances existing at the time of the institution of the action or proceeding; provided however, should the court find as a fact that the supporting party has initiated a frivolous action or proceeding the court may order payment of reasonable attorney's fees to an interested party as deemed appropriate under the circumstances. (1967, c. 1153, s. 2; 1973, c. 323.)

**Cross Reference.** — See note to § 50-13.1.

**Editor's Note.** — The 1973 amendment, effective July 1, 1973, rewrote the first sentence and added the second sentence.

**Substantial Dependence by Wife upon Husband Unnecessary.** — In order to grant attorney fees on behalf of the wife, it is not necessary to find as a "matter of law" that she is substantially dependent upon her husband. *Brandon v. Brandon*, 10 N.C. App. 457, 179 S.E.2d 177 (1971), decided prior to the 1973 amendment to this section.

**The amount awarded as counsel fees comes within the discretion of the trial judge** and will not be disturbed in the absence of an abuse of discretion. *Kearns v. Kearns*, 6 N.C. App. 319, 170 S.E.2d 132 (1969).

This section provides the trial court with considerable discretion in allowing or disallowing attorney fees in child custody or support cases. *Brandon v. Brandon*, 10 N.C. App. 457, 179 S.E.2d 177 (1971).

**But Discretion Is Limited.** — The court's discretion in disallowing fees appears to be limited only by the abuse of discretion rule; but the court's discretion in allowing fees appears to be limited not only by the abuse of discretion rule but by this section as well as other statutes, particularly § 50-16.1. *Brandon v. Brandon*, 10 N.C. App. 457, 179 S.E.2d 177 (1971).

**Court Abused Discretion.** — Where the trial court failed to make a finding of fact with

respect to the wife's ability to defray the expense of the suit as required by this section, the court abused its discretion in ordering plaintiff to pay attorney's fees. *Nolan v. Nolan*, 20 N.C. App. 550, 202 S.E.2d 344 (1974).

**Findings of Fact Must Support Order.** — Section 50-16.4 and this section permit the entering of a proper order for reasonable counsel fees for the benefit of a dependent spouse, but only where the record contains findings of fact, such as the nature and scope of the legal services rendered and the skill and time required, upon which a determination of the requisite reasonableness could be based. *Austin v. Austin*, 12 N.C. App. 286, 183 S.E.2d 420 (1971).

**Second Sentence of Section Is Limited to Support Actions.** — The General Assembly, having limited the second sentence to support actions, apparently did not intend the requirement to apply to custody or custody and support actions. *Stanback v. Stanback*, 287 N.C. 448, 215 S.E.2d 30 (1975).

The duty to make the required finding under the second sentence of this section is imposed only in a support action. *Stanback v. Stanback*, 287 N.C. 448, 215 S.E.2d 30 (1975).

**Fees May Not Be Disallowed As Matter of Law.** — The trial court, in its discretion, was fully authorized to disallow attorney fees for defendant's counsel but to disallow such fees as



a matter of law was error. *Brandon v. Brandon*, 10 N.C. App. 457, 179 S.E.2d 177 (1971).

**Award of Fees Was Not Error.** — The trial court did not err in requiring the father to pay reasonable attorney fees of the mother in a habeas corpus proceeding to determine custody of minor children, where custody of the children had been awarded to the mother by both North Carolina and South Carolina courts, and the father's failure to return the children to the mother in South Carolina after a visit in this State forced the mother to come to this State to secure their return, and the father was not providing support for the children as he had been ordered. *In re Hopper*, 11 N.C. App. 611, 182 S.E.2d 228 (1971).

**Denial of Fees Was Not Error.** — Respondent in a child custody proceeding was not entitled to an award of counsel fees or to have court costs taxed against petitioner father where respondent introduced no evidence with respect to her dependent status or inability to defray the expense of the suit and where she was not the party for whom judgment had been given. *In re Custody of Cox*, 17 N.C. App. 687, 195 S.E.2d 232 (1973).

**Award of Fees Was Error in Absence of Showing of Dependency.** — The trial court erred in requiring plaintiff father to pay counsel fees of defendant mother for a hearing upon

defendant's motion for an increase in the amount of child support payments made by plaintiff, where there was no showing or finding that at the time of the hearing defendant was a dependent spouse. *Crouch v. Crouch*, 14 N.C. App. 49, 187 S.E.2d 348 (1972), decided prior to the 1973 amendment to this section.

**As Was Award in Absence of Evidence as to Nature, etc., of Legal Services.** — Where an award of counsel's fees was based on the attorney's affidavit stating the number of hours spent on the case but there was no evidence before the trial court as to the nature and scope of the legal services and the skill and time required, the award was held not sufficiently based, and was vacated and remanded. *Rickenbaker v. Rickenbaker*, 21 N.C. App. 276, 204 S.E.2d 198 (1974).

**Applied in** *Williams v. Williams*, 12 N.C. App. 170, 182 S.E.2d 667 (1971); *Collins v. Collins*, 18 N.C. App. 45, 196 S.E.2d 282 (1973); *Sawyer v. Sawyer*, 21 N.C. App. 293, 204 S.E.2d 224 (1974); *Powell v. Powell*, 25 N.C. App. 695, 214 S.E.2d 808 (1975).

**Stated in** *Andrews v. Andrews*, 12 N.C. App. 410, 183 S.E.2d 843 (1971).

**Cited in** *Fonvielle v. Fonvielle*, 8 N.C. App. 337, 174 S.E.2d 67 (1970); *Winters v. Winters*, 11 N.C. App. 595, 181 S.E.2d 604 (1971).

**§ 50-13.7. Modification of order for child support or custody.** — (a) An order of a court of this State for custody or support, or both, of a minor child may be modified or vacated at any time, upon motion in the cause and a showing of changed circumstances by either party or anyone interested.

(b) When an order for custody or support, or both, of a minor child has been entered by a court of another state, a court of this State may, upon gaining jurisdiction, and upon a showing of changed circumstances, enter a new order for support or custody which modifies or supersedes such order for custody or support. (1858-9, c. 53; 1868-9, c. 116, s. 36; 1871-2, c. 193, s. 46; Code, ss. 1296, 1570, 1661; Rev., ss. 1570, 1853; C. S., ss. 1664, 2241; 1929, c. 270, s. 1; 1939, c. 115; 1941, c. 120; 1943, c. 194; 1949, c. 1010; 1953, c. 813; 1957, c. 545; 1965, c. 310, s. 2; 1967, c. 1153, s. 2.)

**Cross Reference.** — See note to § 50-13.1.

**Editor's Note.** — A number of cases in the following note were decided under former § 17-39.1, which dealt with determining custody of children in habeas corpus proceedings, former § 50-13, which dealt with custody and maintenance of children in divorce proceedings, and former § 50-16, which dealt with custody and support of children in actions for alimony without divorce.

For note on choice of law rules in North Carolina, see 48 N.C.L. Rev. 243 (1970).

**This section contemplates only the institution of an action for custody and support.** *Tate v. Tate*, 9 N.C. App. 681, 177 S.E.2d 455 (1970).

**The welfare of the children in controversies involving custody is the polar star** by which the courts must be guided in awarding custody. *Pruneau v. Sanders*, 25 N.C. App. 510, 214 S.E.2d 288 (1975).

**Ultimate Object.** — The welfare of the child is the "polar star" in the matters of custody and maintenance, yet common sense and common justice dictate that the ultimate object in such matters is to secure support commensurate with the needs of the child and the ability of the father to meet the needs. *Crosby v. Crosby*, 272 N.C. 235, 158 S.E.2d 77 (1967).

The ultimate object in setting awards of child support is to secure support commensurate with the needs of the children and the ability of the



father to meet the needs. *Gibson v. Gibson*, 24 N.C. App. 520, 211 S.E.2d 522 (1975).

**The welfare of the child is always open to inquiry by the court**, and upon showing of a change of circumstances the order of custody may be modified. *In re Mason*, 13 N.C. App. 334, 185 S.E.2d 433 (1971).

**Filing a motion in a cause in which the court has not acquired jurisdiction** does not serve to confer jurisdiction under this section. *Hopkins v. Hopkins*, 8 N.C. App. 162, 174 S.E.2d 103 (1970).

**The control and custody of minor children cannot be determined finally.** Changed conditions will always justify inquiry by the courts in the interest and welfare of the children, and decrees may be entered as often as the facts justify. *In re Herring*, 268 N.C. 434, 150 S.E.2d 775 (1966); *In re Bowen*, 7 N.C. App. 236, 172 S.E.2d 62 (1970).

Neither agreements nor adjudications for the custody or support of a minor child are ever final. *McLeod v. McLeod*, 266 N.C. 144, 146 S.E.2d 65 (1966).

As children develop their needs change; nevertheless, the needs must be supplied by the parent, whose ability to supply them may change. For these reasons orders in custody proceedings are not final. *Stanback v. Stanback*, 266 N.C. 72, 145 S.E.2d 332 (1965).

Decrees entered by North Carolina courts in child custody and support matters are impermanent in character and are res judicata of the issue only so long as the facts and circumstances remain the same as when the decree was rendered. The decree is subject to alteration upon a change of circumstances affecting the welfare of the child. *Crosby v. Crosby*, 272 N.C. 235, 158 S.E.2d 77 (1967); *Tate v. Tate*, 9 N.C. App. 681, 177, S.E.2d 455 (1970).

Decrees entered by courts in child custody and support matters, or written agreements with respect to such matters, are impermanent in character and are subject to alteration by the court upon a change of circumstances affecting the welfare of the child. *Williams v. Williams*, 18 N.C. App. 635, 197 S.E.2d 629 (1973).

**Hence, Divorce Decree Custody Provision Is Subject to Modification.** — The provision of a final decree of divorce awarding the custody of the minor children of the marriage is subject to modification for subsequent change of condition as often as the facts justify. *In the Matter of Custody of Marlowe*, 268 N.C. 197, 150 S.E.2d 204 (1966).

**And Judgment in Custody Suit Is Not Final.** — On a hearing in a custody suit the judgment is not intended to be a final determination of the rights of the parties touching the care and control of the child, but, on a change of conditions, properly established, the question may be further heard and determined. *Stanback v. Stanback*, 266 N.C. 72, 145 S.E.2d 332 (1965).

A judgment awarding custody is based upon the conditions found to exist at the time it is entered. The judgment is subject to such change as is necessary to make it conform to changed conditions when they occur. *In re Bowen*, 7 N.C. App. 236, 172 S.E.2d 62 (1970).

The welfare of the child at the time the contest comes on for hearing is the controlling consideration. It may be well to observe that the law is realistic and takes cognizance of the ever changing conditions of fortune and society. While a decree making a judicial award of the custody of a child determines the present rights of the parties to the contest, it is not permanent in its nature, and may be modified by the court in the future as subsequent events and the welfare of the child may require. *In re Bowen*, 7 N.C. App. 236, 172 S.E.2d 62 (1970).

The entry of an order in a custody matter does not finally determine the rights of parties as to the custody, care and control of a child, and when a substantial change of condition affecting the child's welfare is properly established, the court may modify prior custody decrees. *Blackley v. Blackley*, 285 N.C. 358, 204 S.E.2d 678 (1974).

**Because of the court's paramount regard for the welfare of children whose parents are separated**, the court, for their benefit, and upon proper showing, may modify or change a custody award. *Stanback v. Stanback*, 266 N.C. 72, 145 S.E.2d 332 (1965).

**Father's Duty.** — In cases of child support, the father's duty does not end with the furnishing of bare necessities when he is able to offer more, nor should the court order an increase in payments absent evidence of changed conditions or the need of such increase. *Crosby v. Crosby*, 272 N.C. 235, 158 S.E.2d 77 (1967).

**The wishes of a child of sufficient age to exercise discretion in choosing a custodian** is entitled to considerable weight when the contest is between parents, but is not controlling. *Elmore v. Elmore*, 4 N.C. App. 192, 166 S.E.2d 506 (1969); *In re Harrell*, 11 N.C. App. 351, 181 S.E.2d 188 (1971).

**A change in circumstances must be shown in order to modify an order relating to custody, support or alimony.** *Elmore v. Elmore*, 4 N.C. App. 192, 166 S.E.2d 506 (1969); *Rothman v. Rothman*, 6 N.C. App. 401, 170 S.E.2d 140 (1969); *McDowell v. McDowell*, 13 N.C. App. 643, 186 S.E.2d 621 (1972); *Pruneau v. Sanders*, 25 N.C. App. 510, 214 S.E.2d 288 (1975).

While the order awarding custody is not final and may be subsequently modified, this may be done only upon a showing of changed circumstances. *In re Custody of Griffin*, 6 N.C. App. 375, 170 S.E.2d 84 (1969).

If the parent awarded custody of children were subsequently to become unfit, it would be possible for the trial court, upon proper findings,



to grant custody to a fit person. Where there is no evidence that the fitness or unfitness of either party has changed, the trial court may not modify a prior order awarding custody unless some other sufficient change of condition is shown. *In re Custody of Poole*, 8 N.C. App. 25, 173 S.E.2d 545 (1970).

"Changed circumstances," as used in this section, means such a change as affects the welfare of the child. *In re Harrell*, 11 N.C. App. 351, 181 S.E.2d 188 (1971).

Where a provision for any reduction in support payments was omitted from the original order, that order could not thereafter be modified by inserting such provision without a showing and finding of change in circumstances. *Rabon v. Ledbetter*, 9 N.C. App. 376, 176 S.E.2d 372 (1970).

While orders in custody proceedings are never final, since with the passage of time both the needs of the children and the ability of the parents to supply those needs may change, a court is not warranted in modifying or changing a prior valid order absent a showing of change in conditions. *Rabon v. Ledbetter*, 9 N.C. App. 376, 176 S.E.2d 372 (1970); *Register v. Register*, 18 N.C. App. 333, 196 S.E.2d 550 (1973).

It is elementary that court decrees in child custody and support matters are not permanent in character and may be modified by the court in the future if subsequent events and the welfare of the child require. *In re Rose*, 9 N.C. App. 413, 176 S.E.2d 249 (1970).

A change of circumstances affecting the welfare of the child must be shown before an order relating to the child's custody may be modified. *Kenney v. Kenney*, 15 N.C. App. 665, 190 S.E.2d 650 (1972).

The change in circumstances contemplated by subsection (a) is a change affecting the welfare of the minor children. *Hensley v. Hensley*, 21 N.C. App. 306, 204 S.E.2d 228 (1974).

**And Change Must Be Substantial.** — There must generally be a substantial change of circumstances before an order of custody is changed. This indicates that more must be shown than a removal by one parent of a child from a jurisdiction which may enter an adverse decision to the removing parent. It must be shown that circumstances have so changed that the welfare of the child will be adversely affected unless the custody provision is modified. *Rothman v. Rothman*, 6 N.C. App. 401, 170 S.E.2d 140 (1969).

A finding that the mother "is now residing in Mecklenburg County, North Carolina" is not a finding of a substantial change of circumstances that will support the modification of a child custody order. *Harrington v. Harrington*, 16 N.C. App. 628, 192 S.E.2d 638 (1972).

Before a custody order may be altered, a substantial change of circumstances must be

shown. *Todd v. Todd*, 18 N.C. App. 458, 197 S.E.2d 1 (1973).

**The modification of a custody decree must be supported by findings of fact** based on competent evidence that there has been a substantial change of circumstances affecting the welfare of the child. *Blackley v. Blackley*, 285 N.C. 358, 204 S.E.2d 678 (1974).

**Burden of Showing Changed Circumstances.** — When plaintiff moved that the original order be vacated and either modified or eliminated, he assumed the burden of showing that circumstances had changed between the time of the order and the time of the hearing upon his motion. *Crosby v. Crosby*, 272 N.C. 235, 158 S.E.2d 77 (1967); *In re Harrell*, 11 N.C. App. 351, 181 S.E.2d 188 (1971).

The original decree ordering the payment of money is an adjudication of the court as to what was reasonable and proper at the time it was made. The burden of proving, by preponderance of the evidence, that a material change in the circumstances has occurred is upon the party requesting the modification. *Allen v. Allen*, 7 N.C. App. 555, 173 S.E.2d 10 (1970).

The party moving for a modification of a custody decree assumes the burden of showing such change of circumstances. *Blackley v. Blackley*, 285 N.C. 358, 204 S.E.2d 678 (1974).

The party seeking to have the custody order vacated has the burden of showing that circumstances have changed between the time of the order and the time of the hearing on his motion. *Hensley v. Hensley*, 21 N.C. App. 306, 204 S.E.2d 228 (1974).

The party moving for modification of a custody order has the burden of showing that there has been a substantial change of circumstances affecting the welfare of the child. *King v. Allen*, 25 N.C. App. 90, 212 S.E.2d 396 (1975).

**Showing of Changed Circumstances Insufficient.** — Where there was no finding of the plaintiff's original child-oriented expenses and no finding that the needs of the children had increased other than the unsupported finding that the children were older and thus their needs had substantially increased, there was not a sufficient showing of a "change in circumstances" within the meaning of this section. *Waller v. Waller*, 20 N.C. App. 710, 202 S.E.2d 791 (1974).

**Where a person having custody under a prior order has become unfit** or is no longer able or suited to retain custody, such a consideration is of utmost importance in inquiring into the matter of custody, but it is not alone determinative. *In re Bowen*, 7 N.C. App. 236, 172 S.E.2d 62 (1970).

**Where Person Denied Custody under Prior Order Due to Unfitness Becomes Fit.** — Where at the time of the first hearing the poor health and emotional instability of the mother rendered



her unsuitable to have custody of the two oldest children of the parties, but where this had changed, the court was entitled, in view of these changed circumstances, to inquire again into the matter of custody and to determine whether the welfare of the children would be better served now by placing them in the custody of their mother. *Kenney v. Kenney*, 15 N.C. App. 655, 190 S.E.2d 650 (1972).

**First Court to Acquire Jurisdiction Retains Jurisdiction.** — Except as provided in § 50-13.5(f), the ordinary rule of civil procedure applies to this section, namely, the first court to acquire jurisdiction of a cause retains jurisdiction to the exclusion of other courts. Thus, if a judgment involving the custody and the support of a minor child has been entered in this State (as in a habeas corpus proceeding, or in an action for divorce from bed and board, or in an action for alimony without divorce, or in a civil action), the judge trying a subsequent action for absolute divorce cannot interfere with the earlier judgment. Only the court of this State having entered the earlier judgment for custody and support of the minor child may modify or vacate it, upon a motion in the cause and a showing of a change of circumstances. *Tate v. Tate*, 9 N.C. App. 681, 177 S.E.2d 455 (1970).

**Modification of Order Establishing Custody and Support.** — Section 50-13.5 contemplates only the institution of an action for custody and support. It does not affect the situation where custody and support have already been determined and one of the parties seeks a modification of the order establishing custody and support. In such a case, the court first obtaining jurisdiction retains jurisdiction to the exclusion of all other courts and is the only proper court to bring an action for the modification of an order establishing custody and support. *Tate v. Tate*, 9 N.C. App. 681, 177 S.E.2d 455 (1970).

**Valid Custody Order May Not Be Collaterally Modified.** — A valid order awarding custody of the child of the marriage is conclusive upon the parties and may not be modified collaterally by a petition praying that the child's custody be awarded to petitioner during a certain period. *Robbins v. Robbins*, 266 N.C. 635, 146 S.E.2d 671 (1966).

**When the parents were divorced outside this State,** either parent may have the question of custody as between them determined in a special proceeding in the superior court. In the *Matter of Custody of Sauls*, 270 N.C. 180, 154 S.E.2d 327 (1967).

The full faith and credit clause of the federal Constitution does not preclude the courts of this State from modifying the provision of a foreign divorce decree awarding custody of the minor children of the marriage for change of condition subsequent to the entry of the decree, and a case will be remanded for determination by the trial

court whether there had been change in the conditions and circumstances since the entry of the decree sufficient to require the modification of the decree in the best interest of the minors. In the *Matter of Custody of Marlowe*, 268 N.C. 197, 150 S.E.2d 204 (1966).

A decree awarding the custody of a child, entered by the court of another state in an action for divorce from bed and board, is entitled to full faith and credit in the courts of this State, unless a change of circumstances is shown which would justify a modification of the decree. *Rothman v. Rothman*, 6 N.C. App. 401, 170 S.E.2d 140 (1969).

**What Plaintiff Must Show to Obtain Modification of Another State's Order.** — In order to invoke the aid of subsection (b) of this section governing the entry of a new order for child custody or support which modifies or supersedes an order entered by a court of another state, a plaintiff must show (1) jurisdiction and (2) changed circumstances. *Hopkins v. Hopkins*, 8 N.C. App. 162, 174 S.E.2d 103 (1970).

**Court Has Jurisdiction to Modify Foreign Custody Decree upon Showing of Changed Circumstances.** — The trial court erred in refusing to hear evidence offered in a custody proceeding on the ground that full faith and credit prevented it from issuing any order other than one which would require compliance with the foreign decree, since the court has jurisdiction to modify the foreign decree upon a showing of changed circumstances, and it did not appear that the court was exercising the discretion to decline jurisdiction granted it by § 50-13.5(c)(5). In *re Kluttz*, 7 N.C. App. 383, 172 S.E.2d 95 (1970).

**And by Virtue of Physical Presence of Child Within State.** — By virtue of the physical presence of the child within the boundaries of this State, the district court has jurisdiction, upon a proper showing, to modify another state's decree as it pertains to the custody of the child. *Rothman v. Rothman*, 6 N.C. App. 401, 170 S.E.2d 140 (1969); *Pruneau v. Sanders*, 25 N.C. App. 510, 214 S.E.2d 288 (1975).

Even if a child custody order entered in another state is entitled to full faith and credit, the courts of this State have jurisdiction to enter orders providing for the custody of children affected by such order when they are physically present in this State. *Spence v. Durham*, 16 N.C. App. 372, 191 S.E.2d 908 (1972).

The jurisdiction of the court entering a decree continues as long as the minor child whose custody is the subject of the decree remains within its jurisdiction. *Stanback v. Stanback*, 287 N.C. 448, 215 S.E.2d 30 (1975).

**Court's Findings of Fact Are Conclusive.** — A court's findings of fact in modifying a child custody order are conclusive on appeal if supported by competent evidence. In *re Bowen*, 7 N.C. App. 236, 172 S.E.2d 62 (1970).



The judge's finding "that there was not a sufficient change of circumstances shown which would justify a change in the custody order previously entered" is conclusive and binding on review if supported by competent evidence. In *re Harrell*, 11 N.C. App. 351, 181 S.E.2d 188 (1971).

The trial judge's findings of fact in custody orders are binding on the appellate courts if supported by competent evidence. *Blackley v. Blackley*, 285 N.C. 358, 204 S.E.2d 678 (1974).

**Discretion of Trial Judge.** — Custody cases often involve difficult decisions; however, it is necessary that the trial judge be given wide discretion in making his determination for the trial judge has the opportunity to see the parties in person and to hear the witnesses. *Pruneau v. Sanders*, 25 N.C. App. 510, 214 S.E.2d 288 (1975).

**Appellate Review.** — In determining child custody wide discretion is necessarily vested in the trial judge who has the opportunity to see the parties and hear the witnesses, and his decision ought not to be upset on appeal absent a clear showing of abuse of discretion. In *re Mason*, 13 N.C. App. 334, 185 S.E.2d 433 (1971).

Because the trial court has the opportunity to observe all parties and evaluate evidence which sometimes appears differently in cold print, if the evidence supports the findings of fact by the trial court and those findings of fact form a valid

basis for the conclusions of law, the judgment entered will not be disturbed on appeal. *Paschall v. Paschall*, 21 N.C. App. 120, 203 S.E.2d 337 (1974).

In determining matters of child custody, the trial court is vested with wide discretion, and its decision should not be upset absent a clear showing of an abuse of discretion. *Hensley v. Hensley*, 21 N.C. App. 306, 204 S.E.2d 228 (1974).

**Increase in Child Support Was Error.** — In the absence of any evidence and finding of any change in circumstances, it was error for the trial court to order an increase in the amount of child support. *Childers v. Childers*, 19 N.C. App. 220, 198 S.E.2d 485 (1973).

**Modification of Order Was Not Error.** — In modification of an order for child support, there was no error where the trial court found sufficient facts to justify an increase in the child support payments, and these findings were supported by competent evidence in the record. *Gibson v. Gibson*, 24 N.C. App. 520, 211 S.E.2d 522 (1975).

**Applied** in *Ferguson v. Ferguson*, 9 N.C. App. 453, 176 S.E.2d 358 (1970); *Paschall v. Paschall*, 26 N.C. App. 491, 216 S.E.2d 415 (1975).

**Cited** in *re Custody of Stancil*, 10 N.C. App. 545, 179 S.E.2d 844 (1971); *Brooks v. Brooks*, 12 N.C. App. 626, 184 S.E.2d 417 (1971); *Moore v. Moore*, 14 N.C. App. 165, 187 S.E.2d 371 (1972).

**§ 50-13.8. Custody and support of persons incapable of self-support upon reaching majority.** — For the purposes of custody and support, the rights of a person who is mentally or physically incapable of self-support upon reaching his majority shall be the same as a minor child for so long as he remains mentally or physically incapable of self-support, provided that no parent may be held liable for the charges made by a facility owned or operated by the Department of Human Resources for the care, maintenance and treatment of such person who is a long-term patient. (1967, c. 1153, s. 2; 1971, c. 218, s. 3; 1973, c. 476, s. 133.)

**Cross Reference.** — See note to § 50-13.1.

**Editor's Note.** — The 1971 amendment added the proviso.

Session Laws 1971, c. 218, s. 4, as amended by Session Laws 1971, c. 1142, provides: "This act is intended to relieve and shall be construed to relieve, any parent of any liability for charges accrued prior to the ratification of this act for treatment, care and maintenance of a natural or adoptive child at facilities owned or operated by the State Department of Mental Health. It is the intent of this act to limit the existing liability of all parents, in the manner set out in the previous sections of this act, in regard to charges made prior to the date of the ratification of this act, or to be made subsequent to such date, for treatment, care and maintenance of a natural or adopted child at facilities owned or operated by the State Department of Mental Health."

The 1973 amendment, effective July 1, 1973, substituted "Department of Human Resources" for "State Department of Mental Health."

**Obligation of Father to Provide Support for Child Reaching Majority.** — Ordinarily the law presumes that when a child reaches the age of 21 (now 18) years he will be capable of maintaining himself, and in such case the obligation of the father to provide support terminates. But where this presumption is rebutted by the fact of mental or physical incapacity, it no longer obtains, and the obligation of the father continues. *Speck v. Speck*, 5 N.C. App. 296, 168 S.E.2d 672 (1969).

Since the enactment of Chapter 48A in 1971, the decisions of the court and the Supreme Court have concluded that the father's legal obligation to support his child ceases when the child reaches the age of 18, provided that it is not shown that the child is insolvent, unmarried, and



physically or mentally incapable of earning a livelihood. *Nolan v. Nolan*, 20 N.C. App. 550, 202 S.E.2d 344 (1974).

Stated in *Crouch v. Crouch*, 14 N.C. App. 49, 187 S.E.2d 348 (1972).

**§§ 50-14, 50-15:** Repealed by Session Laws 1967, c. 1152, s. 1, effective October 1, 1967.

**§ 50-16:** Repealed by Session Laws 1967, c. 1152, s. 1; c. 1153, s. 1, effective October 1, 1967.

**Cross References.** —

As to action or proceeding for custody of minor child, see §§ 50-13.1 to 50-13.8.

**§ 50-16.1. Definitions.** — As used in the statutes relating to alimony and alimony pendente lite unless the context otherwise requires, the term:

- (1) "Alimony" means payment for the support and maintenance of a spouse, either in lump sum or on a continuing basis, ordered in an action for divorce, whether absolute or from bed and board, or an action for alimony without divorce.
- (2) "Alimony pendente lite" means alimony ordered to be paid pending the final judgment of divorce in an action for divorce, whether absolute or from bed and board, or in an action for annulment, or on the merits in an action for alimony without divorce.
- (3) "Dependent spouse" means a spouse, whether husband or wife, who is actually substantially dependent upon the other spouse for his or her maintenance and support or is substantially in need of maintenance and support from the other spouse.
- (4) "Supporting spouse" means a spouse, whether husband or wife, upon whom the other spouse is actually substantially dependent or from whom such other spouse is substantially in need of maintenance and support. A husband is deemed to be the supporting spouse unless he is incapable of supporting his wife. (1967, c. 1152, s. 2.)

**Editor's Note.** — Session Laws 1967, c. 1152, s. 2, adding §§ 50-16.1 to 50-16.10, is effective Oct. 1, 1967. Section 9 of c. 1152 provides that the act shall not apply to pending litigation.

**The right of a wife to subsistence pending trial and to attorney fees was derived from the common law.** *Little v. Little*, 12 N.C. App. 353, 183 S.E.2d 278 (1971).

**Purpose of Pendente Lite Awards.** — The remedy of subsistence and counsel fees pendente lite is intended to enable the wife to maintain herself according to her station in life and employ counsel to meet her husband at trial upon substantially equal terms. *Little v. Little*, 12 N.C. App. 353, 183 S.E.2d 278 (1971).

**Pendente Lite Order Cannot Set Up Savings Account.** — A pendente lite order is intended to go no further than provide subsistence and counsel fees pending the litigation. It cannot set up a savings account in favor of the plaintiff. Such is not the purpose and cannot be made the effect of an order. *Yearwood v. Yearwood*, 287 N.C. 254, 214 S.E.2d 95 (1975).

**Any or all of the marital rights under this section may be surrendered** by a properly drawn separation agreement complying with the requirements of § 52-6. *Lane v. Scarborough*, 19 N.C. App. 32, 198 S.E.2d 45 (1973).

**"Dependent Spouse".** — In order to be a "dependent spouse" for the purpose of receiving alimony pendente lite, one does not have to be unable to exist without the aid of the other spouse. *Peeler v. Peeler*, 7 N.C. App. 456, 172 S.E.2d 915 (1970); *Sprinkle v. Sprinkle*, 17 N.C. App. 175, 193 S.E.2d 468 (1972).

In order for a spouse to be entitled to alimony, alimony pendente lite, or counsel fees, that spouse must be a dependent spouse. *Little v. Little*, 18 N.C. App. 311, 196 S.E.2d 562 (1973).

This section keys all awards, in the nature of permanent alimony and alimony pendente lite, to a spouse who is a dependent spouse within the meaning of subdivision (3). *Hinton v. Hinton*, 17 N.C. App. 715, 195 S.E.2d 319 (1973).

Findings that plaintiff wife worked and had a separate income does not preclude the trial court from determining that plaintiff was a dependent spouse and that defendant was a supporting



spouse, where there was plenary evidence to show that she was substantially dependent upon defendant and in substantial need of his support. *Radford v. Radford*, 7 N.C. App. 569, 172 S.E.2d 897 (1970).

To find that one is a "dependent spouse" within the meaning of subdivision (3) is a consequence of two or more related propositions taken as premises, one being the fact that the relationship of spouse exists, and the other consisting of at least the finding that one of the two alternatives in subdivision (3) is a fact. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971); *Presson v. Presson*, 13 N.C. App. 81, 185 S.E.2d 17 (1971); *Manning v. Manning*, 20 N.C. App. 149, 201 S.E.2d 46 (1973).

This section provides two different factual situations from which the conclusion could be reached that a spouse is a "dependent spouse": (1) when a spouse is actually substantially dependent upon the other spouse for his or her maintenance and support; and (2) when a spouse is substantially in need of maintenance and support from the other spouse. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971); *Sprinkle v. Sprinkle*, 17 N.C. App. 175, 193 S.E.2d 468 (1972); *Manning v. Manning*, 20 N.C. App. 149, 201 S.E.2d 46 (1973).

To find that one is a dependent spouse the trial court must make findings of fact sufficient to show (1) that a marital relationship between the parties exists; (2) either (a) that the spouse is actually substantially dependent upon the other spouse for his or her maintenance and support, or (b) that the spouse is substantially in need of maintenance and support from the other spouse; and (3) that the supporting spouse is capable of making the payments required. *Little v. Little*, 18 N.C. App. 311, 196 S.E.2d 562 (1973).

Where there was no showing of a substantial need for support from defendant or to maintain plaintiff's accustomed station in life, she was in no sense a dependent spouse within the meaning of subdivision (3) of this section. *Lemons v. Lemons*, 22 N.C. App. 303, 206 S.E.2d 327 (1974).

When defendant had not been regularly employed for 18 or 19 years prior to the separation, she was completely supported by her husband and her time was devoted to housework and rearing her children, it is clear from this evidence that plaintiff is a dependent spouse within the purview of subdivision (3). *Hudson v. Hudson*, 21 N.C. App. 412, 204 S.E.2d 697 (1974).

A finding that the wife is unemployed and that she has no income is not sufficient, where the sparse record does not foreclose the possibilities suggested in subdivision (3) that the wife may be dependent upon and supported by someone other than her husband or that she may not need any support at all. *Manning v. Manning*, 20 N.C. App. 149, 201 S.E.2d 46 (1973).

The dependency of the spouse asserting the claim may be established by proof that such

spouse is either (a) actually substantially dependent upon the other spouse for his or her maintenance and support, or (b) substantially in need of maintenance and support from the other spouse. *Loflin v. Loflin*, 25 N.C. App. 103, 212 S.E.2d 403 (1975).

**The burden of proving dependency** is upon the spouse asserting the claim for alimony or alimony pendente lite. *Loflin v. Loflin*, 25 N.C. App. 103, 212 S.E.2d 403 (1975).

**"Supporting Spouse".** — A "supporting spouse" within the meaning of subdivision (4) is a consequence of two or more related propositions taken as premises, one being that the relationship of spouse exists, and the other consisting of the finding that one of three alternatives in subdivision (4) is a fact. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

There are three factual situations from which the conclusion could be reached that a spouse is a supporting spouse: (1) when one spouse is actually substantially dependent upon the other; (2) when one spouse is substantially in need of maintenance and support from the other; and (3) unless the husband is incapable of supporting his wife, he is deemed to be the supporting spouse. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

**The determination of what constitutes a "dependent spouse" and what constitutes a "supporting spouse"** requires an application of principles of statutory law to facts and are therefore mixed questions of law and fact. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

The issues of who is a "dependent spouse" and who is a "supporting spouse" within the meaning of this section should be decided by the trial judge. *Bennett v. Bennett*, 24 N.C. App. 680, 211 S.E.2d 835 (1975).

**"Deemed".** — The General Assembly intended that the term "deemed" as used in subdivision (4) should have the same meaning as "presumed": that the term creates a rule of evidence, and that it will be taken for granted that a husband is the supporting spouse until the contrary is shown. But the sentence does not constitute an irrebuttable presumption and where there is evidence tending to show that the husband is not the supporting spouse, a question of fact for jury determination is presented. *Rayle v. Rayle*, 20 N.C. App. 594, 202 S.E.2d 286 (1974).

**Findings Supporting Award of Alimony.** — Where the record reveals there is sufficient substantial evidence to permit a jury to find (1) that plaintiff is a "supporting spouse" and defendant is a "dependent spouse" as defined in this section, and (2) that plaintiff has abandoned defendant and has willfully failed to provide her with necessary subsistence according to his means and condition so as to render her



condition intolerable and her life burdensome, these permissible findings would support an award of alimony. *Garner v. Garner*, 10 N.C. App. 286, 178 S.E.2d 94 (1970).

**Allegations on Ground of Abandonment.** — The plaintiff in an action for alimony without divorce on the ground of abandonment is not required to allege the acts and conduct relied upon as the basis of the action with that degree of particularity as is required when the cause of action is based on such indignities to the person as to render her condition intolerable and life burdensome. *Richardson v. Richardson*, 4 N.C. App. 99, 165 S.E.2d 678 (1969).

Where complaint otherwise contained sufficient allegations to support a cause of action for alimony without divorce on ground of abandonment, the fact that the complaint referred to the repealed § 50-16 rather than to this section is not fatal. *Richardson v. Richardson*, 4 N.C. App. 99, 165 S.E.2d 678 (1969).

**Consent Judgment Valid and Enforceable.** — In an action for alimony without divorce, a judgment, entered by consent of the parties, which orders defendant to make alimony payments to his wife, is valid and is enforceable against the husband by attachment for contempt, notwithstanding the absence of allegations or findings that the separation was caused by the misconduct of the husband. *Whitesides v. Whitesides*, 271 N.C. 560, 157 S.E.2d 82 (1967).

**Assaults and Cruel Treatment.** — A wife may establish a right to alimony by a showing that she was compelled to leave home in fear of her safety as a result of defendant's assaults and

cruel treatment. *Gaskins v. Gaskins*, 273 N.C. 133, 159 S.E.2d 318 (1968).

**The trial judge can award alimony in a lump payment or monthly payments.** *Austin v. Austin*, 12 N.C. App. 390, 183 S.E.2d 428 (1971).

**Or Combine Forms of Payment.** — The fact that a trial judge used a combination of both a lump sum payment and a continuing monthly payment for alimony does not constitute an abuse of discretion. *Austin v. Austin*, 12 N.C. App. 390, 183 S.E.2d 428 (1971).

**Amount of Pendente Lite Awards Is Discretionary.** — The amount of subsistence and counsel fees pendente lite allowed is within the discretion of the court, but this discretion is limited by the factual conditions. *Little v. Little*, 12 N.C. App. 353, 183 S.E.2d 278 (1971).

**Applied in** *In re McCraw Children*, 3 N.C. App. 390, 165 S.E.2d 1 (1969); *Little v. Little*, 9 N.C. App. 361, 176 S.E.2d 521 (1970); *Mitchell v. Mitchell*, 12 N.C. App. 54, 182 S.E.2d 627 (1971); *Crouch v. Crouch*, 14 N.C. App. 49, 187 S.E.2d 348 (1972); *Rickert v. Rickert*, 282 N.C. 373, 193 S.E.2d 79 (1972); *Therrell v. Therrell*, 19 N.C. App. 321, 198 S.E.2d 776 (1973).

**Quoted in** *In re Custody of Cox*, 17 N.C. App. 687, 195 S.E.2d 132 (1973); *Orren v. Orren*, 25 N.C. App. 106, 212 S.E.2d 395 (1975).

**Cited in** *Blake v. Blake*, 6 N.C. App. 410, 170 S.E.2d 87 (1969); *Blair v. Blair*, 8 N.C. App. 61, 173 S.E.2d 513 (1970); *Brandon v. Brandon*, 10 N.C. App. 457, 179 S.E.2d 177 (1971); *McConnell v. McConnell*, 11 N.C. App. 193, 180 S.E.2d 465 (1971); *Hill v. Hill*, 13 N.C. App. 641, 186 S.E.2d 665 (1972); *Greene v. Greene*, 15 N.C. App. 314, 190 S.E.2d 258 (1972); *Collins v. Collins*, 18 N.C. App. 45, 196 S.E.2d 282 (1973).

**§ 50-16.2. Grounds for alimony.** — A dependent spouse is entitled to an order for alimony when:

- (1) The supporting spouse has committed adultery.
- (2) There has been an involuntary separation of the spouses in consequence of a criminal act committed by the supporting spouse prior to the proceeding in which alimony is sought, and the spouses have lived separate and apart for one year, and the plaintiff or defendant in the proceeding has resided in this State for six months.
- (3) The supporting spouse has engaged in an unnatural or abnormal sex act with a person of the same sex or of a different sex or with a beast.
- (4) The supporting spouse abandons the dependent spouse.
- (5) The supporting spouse maliciously turns the dependent spouse out of doors.
- (6) The supporting spouse by cruel or barbarous treatment endangers the life of the dependent spouse.
- (7) The supporting spouse offers such indignities to the person of the dependent spouse as to render his or her condition intolerable and life burdensome.
- (8) The supporting spouse is a spendthrift.
- (9) The supporting spouse is an excessive user of alcohol or drugs so as to render the condition of the dependent spouse intolerable and the life of the dependent spouse burdensome.



- (10) The supporting spouse wilfully fails to provide the dependent spouse with necessary subsistence according to his or her means and condition so as to render the condition of the dependent spouse intolerable and the life of the dependent spouse burdensome. (1871-2, c. 193, ss. 37, 39; Code, ss. 1290, 1292; Rev., ss. 1565, 1567; 1919, c. 24; C. S., ss. 1665, 1667; 1921, c. 123; 1923, c. 52; 1951, c. 893, s. 3; 1953, c. 925; 1955, cc. 814, 1189; 1967, c. 1152, s. 2.)

**Cross Reference.** — See note to § 50-16.1.

**Purpose of Alimony.** — Alimony is not awarded as a punishment for a broken marriage, but for demonstrated need. *Lemons v. Lemons*, 22 N.C. App. 303, 206 S.E.2d 327 (1974).

**Allegation of Adultery in Defendant's Answer and Cross Action Is Sufficient to Withstand Demurrer.** — An allegation in the further answer and defense and cross action of the wife that the plaintiff husband had committed adultery is sufficient to withstand a demurrer, in view of subsection (1) of this section. *Anthony v. Anthony*, 8 N.C. App. 20, 173 S.E.2d 617 (1970).

**This section does not define abandonment.** *Panhorst v. Panhorst*, 277 N.C. 664, 178 S.E.2d 387 (1971).

**"Abandonment".** — One spouse abandons the other, within the meaning of this section, where he or she brings their cohabitation to an end without justification, without the consent of the other spouse and without intent of renewing it. *Panhorst v. Panhorst*, 277 N.C. 664, 178 S.E.2d 387 (1971); *Bowen v. Bowen*, 19 N.C. App. 710, 200 S.E.2d 214 (1973).

**"Constructive Abandonment".** — One spouse may abandon the other without physically leaving the home. In that event, the physical departure of the other spouse from the home is not an abandonment by that spouse. The constructive abandonment by the defaulting spouse may consist of either affirmative acts of cruelty or of a wilful failure, as by a wilful failure to provide adequate support. *Panhorst v. Panhorst*, 277 N.C. 664, 178 S.E.2d 387 (1971).

There is no wilful failure, and so no constructive abandonment, where the defect of which the departing spouse complains is due to the illness or physical disability of the remaining spouse and his or her consequent inability to act. *Panhorst v. Panhorst*, 277 N.C. 664, 178 S.E.2d 387 (1971).

If the failure of the wife, asserted by the husband as justification for his departure from the home, is not wilful but is due to her health and physical condition, such failure would not constitute a constructive abandonment of the husband by the wife and would not be justification for his departure from the home. *Panhorst v. Panhorst*, 277 N.C. 664, 178 S.E.2d 387 (1971).

**Abandonment Requires That Separation Be Done Wilfully.** — A contention that

abandonment imports willfulness is an exercise in semantics. To the contrary, abandonment requires that the separation or withdrawal be done wilfully and without just cause or provocation. *Mode v. Mode*, 8 N.C. App. 209, 174 S.E.2d 30 (1970).

**The causes leading to the abandonment are relevant and proper subjects for inquiry in an action for alimony without divorce based upon the husband's abandonment.** *Mode v. Mode*, 8 N.C. App. 209, 174 S.E.2d 30 (1970).

**Maintenance of Nuisance May Be Adequate Provocation for Subsequent Abandonment.** — The maintenance of numbers of dogs and cats, constituting a nuisance to the plaintiff, may be adequate provocation on the part of the defendant for the subsequent abandonment of the defendant by the plaintiff. *Therrell v. Therrell*, 19 N.C. App. 321, 198 S.E.2d 776 (1973).

**Providing Support Does Not Negative Abandonment.** — The husband's wilful failure to provide adequate support for his wife may be evidence of his abandonment of her, but the mere fact that he provides adequate support for her does not in itself negative abandonment as used in subdivision (1) of § 50-7. *Richardson v. Richardson*, 268 N.C. 538, 151 S.E.2d 12 (1966) (decided under former § 50-16); *Bowen v. Bowen*, 19 N.C. App. 710, 200 S.E.2d 214 (1973).

A wife is entitled to her husband's society and the protection of his name and home in cohabitation. The permanent denial of these rights may be aggravated by leaving her destitute or mitigated by a liberal provision for her support, but if the cohabitation is brought to an end without justification and without the consent of the wife and without the intention of renewing it, the matrimonial offense of desertion is complete. *Richardson v. Richardson*, 268 N.C. 538, 151 S.E.2d 12 (1966) (decided under former § 50-16).

A husband may be deemed to have abandoned his wife within the meaning of § 50-7 (1), and so be liable for alimony, notwithstanding the fact that, after cohabitation is brought to an end, he voluntarily provides her with adequate support. Whether his withdrawal from the home, followed by such support, constitutes an abandonment which is ground for suit by the wife for divorce from bed and board, and therefore ground for suit by her for alimony without divorce, depends upon whether his withdrawal from the home was justified by the conduct of the wife. *Schloss v. Schloss*, 273 N.C.



266, 160 S.E.2d 5 (1968), decided under former § 50-16.

If it is determined that the husband's withdrawal from the home was without justification, notwithstanding his voluntary payments for the wife's subsistence thereafter, the court may award permanent alimony to the wife. *Schloss v. Schloss*, 273 N.C. 266, 160 S.E.2d 5 (1968), decided under former § 50-16.

**Husband May Prove as Defense That Wife Separated Herself from Him.** — In an action by a wife for alimony without divorce, this section does not preclude the husband, who has left the home, from proving as a defense that it was actually the wife who separated herself from him, though she did not leave the home. *Panhorst v. Panhorst*, 277 N.C. 664, 178 S.E.2d 387 (1971).

**What Constitutes Indignities Depends upon Circumstances.** — In cases involving alimony without divorce on the grounds that supporting spouse has offered such indignities to the dependent spouse as to render his or her condition intolerable and life burdensome, the Supreme Court has not set an undeviating rule as to what constitutes such indignities but leaves it to the courts to deal with each particular case and to determine it upon its own peculiar circumstances. *Presson v. Presson*, 12 N.C. App. 109, 182 S.E.2d 614 (1971).

**Plaintiff May Rely on Cumulative Effect of Many Years of Mistreatment.** — In an action for alimony without divorce the plaintiff has the right to rely on the cumulative effect of many years of mistreatment by the husband and her testimony cannot be limited to events which occurred immediately prior to the alleged abandonment. *Mode v. Mode*, 8 N.C. App. 209, 174 S.E.2d 30 (1970).

**Complaint Merely Alleging Cruelty and Indignities Fails to Give Fair Notice.** — Where the complaint merely alleges that the defendant treated the plaintiff cruelly and offered indignities to her person but does not refer to any transactions, occurrences or series of transactions or occurrences intended to be proved, nor mention any specific act of cruelty or indignity committed by the defendant, the alleged cruelty and alleged indignities may

consist of nothing more than occasional nagging of the plaintiff or pounding on a table. Such a complaint does not give defendant fair notice of plaintiff's claim. *Manning v. Manning*, 20 N.C. App. 149, 201 S.E.2d 46 (1973).

**Findings Which Support an Award of Alimony.** — Where the record reveals there is sufficient substantial evidence to permit a jury to find (1) that plaintiff is a "supporting spouse" and defendant is a "dependent spouse" as defined in § 50-16.1, and (2) that plaintiff has abandoned defendant and has willfully failed to provide her with necessary subsistence according to his means and condition so as to render her condition intolerable and her life burdensome, these permissible findings would support an award of alimony. *Garner v. Garner*, 10 N.C. App. 286, 178 S.E.2d 94 (1970).

**An order of alimony without divorce and child support is temporary in nature,** and if future circumstances justify a change, defendant is at liberty to seek relief in the trial court by motion in the cause. *Fonvielle v. Fonvielle*, 8 N.C. App. 337, 174 S.E.2d 67 (1970).

In a wife's action for alimony without divorce and for child support, the Court of Appeals will not disturb an order of the trial court requiring the husband to make substantial payments to the wife for alimony and for support of the minor children, notwithstanding the husband's contention that he anticipates a substantial decrease in earning, since the order is temporary in nature and is subject to modification upon change of circumstances. *Fonvielle v. Fonvielle*, 8 N.C. App. 337, 174 S.E.2d 67 (1970).

**The issues raised by the pleadings must be passed upon by a jury** before permanent alimony may be awarded. *Schloss v. Schloss*, 273 N.C. 266, 160 S.E.2d 5 (1968), decided under former § 50-16.

**Applied** in *Taylor v. Taylor*, 9 N.C. App. 260, 175 S.E.2d 604 (1970); *Sprinkle v. Sprinkle*, 17 N.C. App. 175, 193 S.E.2d 468 (1972); *Koob v. Koob*, 283 N.C. 129, 195 S.E.2d 552 (1973); *Medlin v. Medlin*, 17 N.C. App. 582, 195 S.E.2d 65 (1973); *Powell v. Powell*, 25 N.C. App. 695, 214 S.E.2d 808 (1975).

**Cited** in *Richardson v. Richardson*, 4 N.C. App. 99, 165 S.E.2d 678 (1969).

**§ 50-16.3. Grounds for alimony pendente lite.** — (a) A dependent spouse who is a party to an action for absolute divorce, divorce from bed and board, annulment, or alimony without divorce, shall be entitled to an order for alimony pendente lite when:

- (1) It shall appear from all the evidence presented pursuant to G.S. 50-16.8 (f), that such spouse is entitled to the relief demanded by such spouse in the action in which the application for alimony pendente lite is made, and
- (2) It shall appear that the dependent spouse has not sufficient means whereon to subsist during the prosecution or defense of the suit and to defray the necessary expenses thereof.



(b) The determination of the amount and the payment of alimony pendente lite shall be in the same manner as alimony, except that the same shall be limited to the pendency of the suit in which the application is made. (1871-2, c. 193, ss. 38, 39; 1883, c. 67; Code, ss. 1291, 1292; Rev., ss. 1566, 1567; 1919, c. 24; C. S., ss. 1666, 1667; 1921, c. 123; 1923, c. 52; 1951, c. 893, s. 3; 1953, c. 925; 1955, cc. 814, 1189; 1961, c. 80; 1967, c. 1152, s. 2.)

**Cross Reference.** — See note to § 50-16.1.

**Editor's Note.** — A number of cases in the following note were decided under former §§ 50-15 and 50-16, which dealt with alimony pendente lite in actions for divorce and in actions for alimony without divorce, respectively.

**Purpose of Remedy.** — The remedy established for the subsistence of the wife pending the trial and final determination of the issues involved and for her counsel fees is intended to enable her to maintain herself according to her station in life and to have sufficient funds to employ adequate counsel to meet her husband at the trial upon substantially equal terms. *Myers v. Myers*, 270 N.C. 263, 154 S.E.2d 84 (1967); *Newsome v. Newsome*, 22 N.C. App. 651, 207 S.E.2d 355 (1974).

The remedy of subsistence and counsel fees pendente lite is intended to enable the wife to maintain herself according to her station in life and to employ counsel to meet her husband at the trial upon substantially equal terms. *Brady v. Brady*, 273 N.C. 29, 160 S.E.2d 13 (1968); *Little v. Little*, 12 N.C. App. 353, 183 S.E.2d 278 (1971).

The purpose of the award of support pendente lite is to provide for the reasonable and proper support of the wife in an emergency situation, pending the final determination of her rights. *Schloss v. Schloss*, 273 N.C. 266, 160 S.E.2d 5 (1968), decided under former § 50-16; *Dixon v. Dixon*, 6 N.C. App. 623, 170 S.E.2d 561 (1969).

The granting of alimony pendente lite is given by statute for the very purpose that the wife have immediate support and be able to maintain her action. It is a matter of urgency. *Brady v. Brady*, 273 N.C. 299, 160 S.E.2d 13 (1968).

The purpose of a hearing for alimony pendente lite is to give the dependent spouse reasonable subsistence pending trial and without delay. It is not to determine property rights or finally determine what alimony the wife may receive if she wins her case on the merits. *Kohler v. Kohler*, 21 N.C. App. 339, 204 S.E.2d 177 (1974).

**The question of the alleged ownership of assets by the infant is beyond the scope of a hearing for alimony pendente lite.** *Kohler v. Kohler*, 21 N.C. App. 339, 204 S.E.2d 177 (1974).

**Allowance as a Legal Right.** — Generally, excluding statutory grounds for denial, allowance of support to an indigent wife while prosecuting a meritorious suit against her husband is so strongly entrenched in practice as to be considered an established legal right.

*Garner v. Garner*, 270 N.C. 293, 154 S.E.2d 46 (1967).

**No Allowance Where Plaintiff, in Law, Has No Case.** — Discretion in allowance of support to a wife while suing her husband is confined to consideration of necessities of the wife on the one hand and the means of the husband on the other, but to warrant such allowance the court is expected to look into the merits of the action and would not be justified in allowing subsistence and counsel fees where the plaintiff, in law, has no case. *Garner v. Garner*, 270 N.C. 293, 154 S.E.2d 46 (1967).

**Court Must Look to Merits to Determine if Case for Relief Has Been Made.** — In order to warrant the allowance of alimony pendente lite, the court must look to the merits of the action to determine if the petitioning party in law has made out a case entitling her to the relief demanded. *Therrell v. Therrell*, 19 N.C. App. 321, 198 S.E.2d 776 (1973).

**Subsistence and counsel fees pendente lite are within the discretion of the court, and its decision is not reviewable except for abuse of discretion or for error of law.** *Griffith v. Griffith*, 265 N.C. 521, 144 S.E.2d 589 (1965); *Harper v. Harper*, 9 N.C. App. 341, 176 S.E.2d 48 (1970).

The amount allowed a wife for her subsistence pendente lite and for her counsel fees is a matter for the trial judge and his discretion in this respect is not reviewable except in case of an abuse of discretion. *Miller v. Miller*, 270 N.C. 140, 153 S.E.2d 854 (1967).

The amount of subsistence and counsel fees pendente lite to be allowed is within the discretion of the court, and the court's decision is not reviewable except for abuse of discretion or error of law. *Brady v. Brady*, 273 N.C. 299, 160 S.E.2d 13 (1968); *Austin v. Austin*, 12 N.C. App. 390, 183 S.E.2d 428 (1971).

**Determination of what constitutes a "dependent spouse" and what constitutes a "supporting spouse"** requires an application of principles of statutory law to facts and are therefore mixed questions of law and fact. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

**Prerequisites for Determination of Award of Counsel Fees.** — The clear and unambiguous language of this section and § 50-16.4 provides as prerequisites for determination of an award of counsel fees the following: (1) The spouse is entitled to the relief demanded; (2) the spouse is a dependent spouse; and (3) the dependent spouse has not sufficient means whereon to



subsist during the prosecution of the suit and to defray the necessary expenses thereof. *Rickert v. Rickert*, 282 N.C. 373, 193 S.E.2d 79 (1972); *Therrell v. Therrell*, 19 N.C. App. 321, 199 S.E.2d 164 (1973); *Townson v. Townson*, 26 N.C. App. 75, 214 S.E.2d 444 (1975).

This section established the requirements for an award of alimony pendente lite. In the first place, the applicant must be a dependent spouse. Once it is established that the applicant is a dependent spouse it must appear that such spouse: (1) *prima facie*, is entitled to the relief demanded in the action, i.e., absolute divorce, divorce from bed and board, annulment, or alimony without divorce; and (2) does not have sufficient means whereon to subsist during the prosecution or defense of the suit and to defray the necessary expenses thereof. *Cabe v. Cabe*, 20 N.C. App. 273, 201 S.E.2d 203 (1973).

It is clear from the face of this section that in order for defendant to be awarded alimony pendente lite, it must appear that she is the dependent spouse, that she is entitled to the relief she demands and that she is without means to subsist during the pendency of this action. *Hogue v. Hogue*, 20 N.C. App. 583, 202 S.E.2d 327 (1974).

**Determination of Amount Is Made in Same Manner as Alimony.** — The determination of the amount and the payment of alimony pendente lite is to be made in the same manner as alimony, except that alimony pendente lite shall be limited to the pendency of the suit in which the application is made. *Blake v. Blake*, 6 N.C. App. 410, 170 S.E.2d 87 (1969).

The amount of alimony pendente lite is to be determined in the discretion of the trial judge in the same manner as the amount of alimony is determined. *Little v. Little*, 9 N.C. App. 361, 176 S.E.2d 521 (1970).

**Mandatory That Both Grounds Stated in Subsection (a) Exist before Making Award.** — The two subdivisions of subsection (a) are connected by the word "and"; it is therefore mandatory that the grounds stated in both of these subdivisions shall be found to exist before an award of alimony pendente lite may be made. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971); *Mitchell v. Mitchell*, 12 N.C. App. 54, 182 S.E.2d 627 (1971); *Presson v. Presson*, 13 N.C. App. 81, 185 S.E.2d 17 (1971); *Whitney v. Whitney*, 15 N.C. App. 151, 189 S.E.2d 629 (1972); *Hogue v. Hogue*, 20 N.C. App. 583, 202 S.E.2d 327 (1974).

To obtain alimony pendente lite the dependent spouse must show, among other things, that he or she is entitled to the relief demanded by such spouse in the action in which the application for alimony pendente lite is made, and that he or she has not sufficient means whereon to subsist during the prosecution or defense of the suit and to defray the necessary expenses thereof. *Fore v. Fore*, 15 N.C. App. 226, 189 S.E.2d 520 (1972);

*Simmons v. Simmons*, 22 N.C. App. 68, 205 S.E.2d 582 (1974).

**Award Should Be Based on Defendant's Earnings at Time of Award.** — If the husband is honestly and in good faith engaged in a business to which he is properly adapted, and is making a good faith effort to earn a reasonable income, the award should be based on the amount which defendant is earning when the award is made. *Robinson v. Robinson*, 10 N.C. App. 463, 179 S.E.2d 144 (1971).

**To base an award on capacity to earn rather than actual earnings, there should be a finding based on evidence** that the husband is failing to exercise his capacity to earn because of a disregard of his marital obligation to provide reasonable support for his wife and children. *Robinson v. Robinson*, 10 N.C. App. 463, 179 S.E.2d 144 (1971).

**Burden upon Dependent Spouse.** — Upon the application of dependent spouse for alimony pendente lite, the burden was upon her to establish (1) that she is entitled to relief in her action and, (2) that she does not have sufficient means whereon to subsist during the prosecution of her claim or to defray the necessary expenses thereof. *In re Mason*, 13 N.C. App. 334, 185 S.E.2d 433 (1971).

Each case presents different circumstances and the burden is upon the applicant for alimony, or alimony pendente lite, to offer evidence to establish the need in each case. *Cabe v. Cabe*, 20 N.C. App. 273, 201 S.E.2d 203 (1973).

**Amount of Allowance Is in Trial Judge's Discretion.** — When subsistence pendente lite or counsel fees are allowed pursuant to the statutory requirements, the amount of the allowance is in the trial judge's discretion, and is reviewable only upon showing an abuse of his discretion. *Rickert v. Rickert*, 282 N.C. 373, 193 S.E.2d 79 (1972).

**Discretion Is Not Absolute and Unreviewable.** — The allowance of support and counsel fees pendente lite in a suit by wife against husband for divorce or alimony is not an absolute discretion to be exercised at the pleasure of the court and unreviewable, but is to be exercised within certain limits and with respect to factual conditions. *Garner v. Garner*, 270 N.C. 293, 154 S.E.2d 46 (1967).

The discretion of the court in making allowances pendente lite is not an absolute discretion to be exercised at the pleasure of the court. It is to be exercised within certain limits and with respect to factual conditions which are controlling. *Brady v. Brady*, 273 N.C. 299, 160 S.E.2d 13 (1968).

The order granting or denying an award of subsistence pendente lite, with or without counsel fees, whether or not containing findings of fact, is not a final determination of and does not affect the final rights of the parties. *Schloss*



v. Schloss, 273 N.C. 266, 160 S.E.2d 5 (1968), decided under former § 50-16.

The amount of subsistence and counsel fees pendente lite allowed is within the discretion of the court, but that this discretion is limited by the factual conditions. *Little v. Little*, 12 N.C. App. 353, 183 S.E.2d 278 (1971).

**Discretion in making allowances pendente lite is confined** to consideration of the necessities of the wife on the one hand, and the means of the husband on the other. *Brady v. Brady*, 273 N.C. 299, 160 S.E.2d 13 (1968).

**The facts required by the statutes must be alleged and proved** to support an order for subsistence pendente lite. *Rickert v. Rickert*, 282 N.C. 373, 193 S.E.2d 79 (1972).

**Setting Forth Findings of Fact.** — An award pendente lite may be made by the judge, and he is not required to set forth in his order any findings of fact where there is no allegation of adultery by the wife, though it is better practice for such findings of fact to be made and set forth in the order. *Schloss v. Schloss*, 273 N.C. 266, 160 S.E.2d 5 (1968), decided under former § 50-16.

In making findings of fact under subsection (f) of § 50-16.8 it is not necessary that the trial judge make detailed findings as to each allegation and evidentiary fact presented. It is necessary that he find the ultimate facts sufficient to establish that the dependent spouse is entitled to an award of alimony pendente lite under the provisions of subsection (a) of this section. *Blake v. Blake*, 6 N.C. App. 410, 170 S.E.2d 87 (1969).

When effect is given to the finding that the plaintiff's motion for alimony pendente lite and for counsel fees should be allowed, together with all of the other findings, such is sufficient to comply with the provisions of this section relating to the requirements for an award of alimony pendente lite. *Peeler v. Peeler*, 7 N.C. App. 456, 172 S.E.2d 915 (1970).

Findings of fact are not required to support the trial judge's finding of the amount of alimony in action for divorce from bed and board or in action for alimony pendente lite. *Eudy v. Eudy*, 288 N.C. 71, 215 S.E.2d 782 (1975).

In an action for alimony pendente lite the trial court is not required to find evidentiary or subsidiary facts. The court need only to find the ultimate facts in issue. *Orren v. Orren*, 25 N.C. App. 106, 212 S.E.2d 395 (1975).

**Award Should Only Be Granted on Finding of Need.** — While the remedy of alimony pendente lite and counsel fees is of noble intent, it should only be granted upon a finding of need. *Newsome v. Newsome*, 22 N.C. App. 651, 207 S.E.2d 355 (1974).

**Finding on Right to Relief Is Essential.** — It is essential that a sufficient finding that the dependent spouse is entitled to the relief demanded in the action in which the application for alimony pendente lite is made. *Whitney v.*

*Whitney*, 15 N.C. App. 151, 189 S.E.2d 629 (1972); *Sprinkle v. Sprinkle*, 17 N.C. App. 175, 193 S.E.2d 468 (1972).

**The judge must find the ultimate facts** sufficient to establish that the dependent spouse is entitled to an award of alimony pendente lite under the provisions of subsection (a). *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

It is necessary for the trial judge to make findings from which it can be determined, upon appellate review, that an award of alimony pendente lite is justified and appropriate in the case. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

While it is not necessary in awarding alimony pendente lite on the basis of dependency for the trial judge to find that the wife would be unable to exist without support, it is necessary that the trial judge find facts which establish that she is substantially in need of maintenance and support. *Newsome v. Newsome*, 22 N.C. App. 651, 207 S.E.2d 355 (1974).

**The trial judge is not required to make negative findings** justifying the denial of an application by dependent spouse for alimony pendente lite. In *re Mason*, 13 N.C. App. 334, 185 S.E.2d 433 (1971).

**Lack of Findings as to Spouse's Means Is Reversible Error.** — Failure to make specific findings as to the sufficiency of dependent spouse's means of subsistence during the prosecution of her action and of defraying the necessary expenses thereof constitutes reversible error. *Mitchell v. Mitchell*, 12 N.C. App. 54, 182 S.E.2d 627 (1971).

**Court properly denied a wife's motion for an interim award of alimony pendente lite and counsel fees** in her suit for alimony without divorce, where there were findings that (1) the plaintiff and her husband had separated by mutual agreement, (2) the husband did not abandon the wife, and (3) the husband was guilty of no misconduct that would support an award of alimony. *Harper v. Harper*, 9 N.C. App. 341, 176 S.E.2d 48 (1970).

**Court Erred in Awarding Alimony Pendente Lite and Counsel Fees.** — Where the finding that plaintiff-wife was a "dependent spouse" amounted to a mere conclusion unsupported by a finding of fact, and where there were no findings upon which to conclude she was entitled to the relief demanded under subsection (a)(1), the trial court erred in ordering alimony pendente lite and counsel fees. *Kornegay v. Kornegay*, 15 N.C. App. 751, 190 S.E.2d 646 (1972).

**Where the wife has a monthly income substantially larger than her husband's** the requirements of subsection (a)(2) are not made to appear, and it is error to award alimony pendente lite and counsel fees pendente lite.



*Davis v. Davis*, 11 N.C. App. 115, 180 S.E.2d 374 (1971).

**Amount of Support Allowance Not Necessarily Dependent upon Husband's Earnings.** — The granting of a support allowance and the amount thereof does not necessarily depend upon the earnings of the husband. One who is able-bodied and capable of earning, may be ordered to pay subsistence. *Robinson v. Robinson*, 10 N.C. App. 463, 179 S.E.2d 144 (1971).

**It was error in ordering the defendant to pay the monthly premiums on two life insurance policies** in which the child was named as primary beneficiary because such payments provide nothing to meet the immediate needs of the child pending the hearing of the case on its merits. *Davis v. Davis*, 11 N.C. App. 115, 180 S.E.2d 374 (1971).

**Pendente Lite Order Cannot Set Up Savings Account.** — A pendente lite order is intended to go no further than provide subsistence and counsel fees pending the litigation. It cannot set up a savings account in favor of the plaintiff. Such is not the purpose and cannot be made the effect of an order. *Schloss v. Schloss*, 273 N.C. 266, 160 S.E.2d 5 (1968), decided under former § 50-16; *Yearwood v. Yearwood*, 287 N.C. 254, 214 S.E.2d 95 (1975).

**Appeal as a Matter of Right.** — An order requiring payment of alimony pendente lite and counsel fees affects a substantial right from which an appeal lies as a matter of right. *Little v. Little*, 12 N.C. App. 353, 183 S.E.2d 278 (1971).

**Scope of Review.** — Proper exercise of the trial judge's authority in granting alimony, alimony pendente lite, or counsel fees is a

question of law, reviewable on appeal. *Rickert v. Rickert*, 282 N.C. 373, 193 S.E.2d 79 (1972).

**Termination of Order for Alimony Pendente Lite.** — A final order in a case for alimony without divorce terminates an order for alimony pendente lite. *Peeler v. Peeler*, 7 N.C. App. 456, 172 S.E.2d 915 (1970).

**Termination of Order for Subsistence Pendente Lite or Counsel Fees.** — Ordinarily, the award of permanent alimony terminates an order for subsistence pendente lite or counsel fees. *Rickert v. Rickert*, 282 N.C. 373, 193 S.E.2d 79 (1972).

**Where the order appealed from is deficient in findings** to establish that plaintiff is entitled to alimony pendente lite pursuant to this section, the award of counsel fees under § 50-16.4 is also unsupported and must be reversed. *Manning v. Manning*, 20 N.C. App. 149, 201 S.E.2d 46 (1973).

Where the findings of fact are insufficient to support an award for alimony pendente lite, they are likewise insufficient to support an award of counsel fees. *Newsome v. Newsome*, 22 N.C. App. 651, 207 S.E.2d 355 (1974).

**Applied** in *Williams v. Williams*, 12 N.C. App. 170, 182 S.E.2d 667 (1971); *Austin v. Austin*, 12 N.C. App. 286, 183 S.E.2d 420 (1971); *Rickert v. Rickert*, 14 N.C. App. 351, 188 S.E.2d 751 (1972); *Medlin v. Medlin*, 17 N.C. App. 582, 195 S.E.2d 65 (1973); *Little v. Little*, 18 N.C. App. 311, 196 S.E.2d 562 (1973); *Robinson v. Robinson*, 26 N.C. App. 178, 215 S.E.2d 179 (1975).

**Stated** in *Hatcher v. Hatcher*, 7 N.C. App. 562, 173 S.E.2d 33 (1970).

**Cited** in *Blair v. Blair*, 8 N.C. App. 61, 173 S.E.2d 513 (1970); *Fonvielle v. Fonvielle*, 8 N.C. App. 337, 174 S.E.2d 67 (1970).

**§ 50-16.4. Counsel fees in actions for alimony.** — At any time that a dependent spouse would be entitled to alimony pendente lite pursuant to G.S. 50-16.3, the court may, upon application of such spouse, enter an order for reasonable counsel fees for the benefit of such spouse, to be paid and secured by the supporting spouse in the same manner as alimony. (1967, c. 1152, s. 2.)

**Cross Reference.** — See notes to §§ 50-16.1 and 50-16.3.

**Editor's Note.** — A number of cases in the following note were decided under former §§ 50-15 and 50-16, which dealt with alimony pendente lite in divorce actions and subsistence and counsel fees pending actions for alimony without divorce, respectively.

**The right of a wife to subsistence pending trial and to attorney fees was derived from the common law.** *Little v. Little*, 12 N.C. App. 353, 183 S.E.2d 278 (1971).

**Apart from statute, there is no duty upon the husband, before or after separation, to furnish his wife with legal counsel, whether he or another be the adverse party to her controversy.**

*Rickert v. Rickert*, 282 N.C. 373, 193 S.E.2d 79 (1972).

**The purpose of the allowance for attorney's fees** is to put the wife on substantially even terms with the husband in the litigation. *Stanback v. Stanback*, 270 N.C. 497, 155 S.E.2d 221 (1967); *Sprinkle v. Sprinkle*, 17 N.C. App. 175, 193 S.E.2d 468 (1972).

The purpose of the allowance of counsel fees pendente lite is to enable the wife, as litigant, to meet the husband, as litigant, on substantially even terms by making it possible for her to employ adequate counsel. *Schloss v. Schloss*, 273 N.C. 266, 160 S.E.2d 5 (1968), decided under former § 50-16; *Rickert v. Rickert*, 282 N.C. 373, 193 S.E.2d 79 (1972).



The remedy of subsistence and counsel fees pendente lite is intended to enable the wife to maintain herself according to her station in life and employ counsel to meet her husband at trial upon substantially equal terms. *Little v. Little*, 12 N.C. App. 353, 183 S.E.2d 278 (1971).

**Subsistence and counsel fees pendente lite are within the discretion of the court**, and its decision is not reviewable except for abuse of discretion or for error of law. *Griffith v. Griffith*, 265 N.C. 521, 144 S.E.2d 589 (1965); *Harper v. Harper*, 9 N.C. App. 341, 176 S.E.2d 48 (1970).

This section requires that the amount of the counsel fees shall be reasonable and the reasonable amount is to be determined by the trial judge in the exercise of his discretion. *Little v. Little*, 9 N.C. App. 361, 176 S.E.2d 521 (1970).

The determination of what are reasonable counsel fees is within the discretion of the judge. *Peeler v. Peeler*, 7 N.C. App. 456, 172 S.E.2d 915 (1970).

The amount of counsel fees is within the discretion of the trial court and is subject to review only for abuse. *Rickert v. Rickert*, 14 N.C. App. 351, 188 S.E.2d 751 (1972).

The amount of subsistence and counsel fees pendente lite allowed is within the discretion of the court, but this discretion is limited by the factual conditions. *Little v. Little*, 12 N.C. App. 353, 183 S.E.2d 278 (1971).

When subsistence pendente lite or counsel fees are allowed pursuant to the statutory requirements, the amount of the allowance is in the trial judge's discretion, and is reviewable only upon showing an abuse of his discretion. *Rickert v. Rickert*, 282 N.C. 373, 193 S.E.2d 79 (1972).

**Elements to Be Considered.** — There are many elements to be considered in a pendente lite allowance of attorneys' fees for a wife suing for alimony without divorce. The nature and worth of the services, the magnitude of the task imposed, reasonable consideration for the defendant's condition and financial circumstances, and many other considerations are involved. *Stanback v. Stanback*, 270 N.C. 497, 155 S.E.2d 221 (1967); *Rickert v. Rickert*, 14 N.C. App. 351, 188 S.E.2d 751 (1972).

The clear and unambiguous language of this section and § 50-16.3 provides as prerequisites for determination of an award of counsel fees the following: (1) The spouse is entitled to the relief demanded; (2) the spouse is a dependent spouse; and (3) the dependent spouse has not sufficient means whereon to subsist during the prosecution of the suit and to defray the necessary expenses thereof. *Rickert v. Rickert*, 282 N.C. 373, 193 S.E.2d 79 (1972).

**Findings of Fact Must Support Award.** — This section and § 50-13.6 permit the entering of a proper order for reasonable counsel fees for the benefit of a dependent spouse, but only where the record contains findings of fact, such

as the nature and scope of the legal services rendered and the skill and time required, upon which a determination of the requisite reasonableness could be based. *Austin v. Austin*, 12 N.C. App. 286, 183 S.E.2d 420 (1971).

No order for reasonable counsel fees for the benefit of a dependent spouse may be entered on findings which fail to meet the test of § 50-16.3. *Manning v. Manning*, 20 N.C. App. 149, 201 S.E.2d 46 (1973).

**And Absence of Sufficient Findings Is Reversible Error.** — The trial court errs in ordering defendant to pay fees to plaintiff's attorneys, where the court does not make sufficient findings as to plaintiff being a dependent spouse and defendant being the supporting spouse. *Smith v. Smith*, 15 N.C. App. 180, 189 S.E.2d 525 (1972).

The lack of any evidence as to reasonable attorney's fees and the absence of any findings by the trial judge based upon such evidence as to the reasonable worth of attorney's fees are grounds for the reversal of a judgment awarding attorney's fees. *Austin v. Austin*, 12 N.C. App. 390, 183 S.E.2d 428 (1971).

**Allowance of Fees Cannot Be Based on Findings Insufficient to Support Alimony Pendente Lite.** — Whenever an order is deficient in findings to establish that a dependent spouse is entitled to alimony pendente lite pursuant to § 50-16.3, an award of counsel fees under this section is also unsupported. *Presson v. Presson*, 13 N.C. App. 81, 185 S.E.2d 17 (1971).

**Because of the clear statutory mandate, a spouse who is not entitled to alimony pendente lite is also not entitled to an award of counsel fees.** *Sprinkle v. Sprinkle*, 17 N.C. App. 175, 193 S.E.2d 468 (1972).

**Income from Trust Administered in State Is Subject to Execution.** — In a wife's action for divorce from bed and board and for permanent alimony, the husband's income from a trust created in another jurisdiction and administered by a trustee bank in this State is subject to execution to satisfy the judgment of the wife against the husband for alimony, child support and counsel fees. *Swink v. Swink*, 6 N.C. App. 161, 169 S.E.2d 539 (1969).

**Appeal as a Matter of Right.** — An order requiring payment of alimony pendente lite and counsel fees affects a substantial right from which an appeal lies as a matter of right. *Little v. Little*, 12 N.C. App. 353, 183 S.E.2d 278 (1971).

**Scope of Review.** — Proper exercise of the trial judge's authority in granting alimony, alimony pendente lite, or counsel fees is a question of law, reviewable on appeal. *Rickert v. Rickert*, 282 N.C. 373, 193 S.E.2d 79 (1972).

**Allowance of Fees Controlled by Stipulation on Alimony Pendente Lite.** — A defendant, by stipulating that plaintiff was entitled to alimony pendente lite, conceded an ultimate fact and



cannot object on appeal to the award of reasonable counsel fees. *Rickert v. Rickert*, 14 N.C. App. 351, 188 S.E.2d 751 (1972).

**A court properly denied a wife's motion for an interim award of alimony pendente lite and counsel fees** in her suit for alimony without divorce, where there were findings that (1) the plaintiff and her husband had separated by mutual agreement, (2) the husband did not abandon the wife, and (3) the husband was guilty of no misconduct that would support an award of alimony. *Harper v. Harper*, 9 N.C. App. 341, 176 S.E.2d 48 (1970).

**Trial Court Erred in Ordering Alimony Pendente Lite and Counsel Fees.** — Where the finding that plaintiff-wife was a "dependent spouse" amounted to a mere conclusion unsupported by a finding of fact, and where there were no findings upon which to conclude she was entitled to the relief demanded under §

50-16.3(a)(1), the trial court erred in ordering alimony pendente lite and counsel fees. *Kornegay v. Kornegay*, 15 N.C. App. 751, 190 S.E.2d 646 (1972).

**Award of permanent alimony ordinarily terminates an order for subsistence pendente lite or counsel fees.** *Rickert v. Rickert*, 282 N.C. 373, 193 S.E.2d 79 (1972).

**Applied** in *Williams v. Williams*, 12 N.C. App. 170, 182 S.E.2d 667 (1971); *Collins v. Collins*, 18 N.C. App. 45, 196 S.E.2d 282 (1973); *Little v. Little*, 18 N.C. App. 311, 196 S.E.2d 562 (1973); *Powell v. Powell*, 25 N.C. App. 695, 214 S.E.2d 808 (1975).

**Quoted** in *Simmons v. Simmons*, 22 N.C. App. 68, 205 S.E.2d 582 (1974).

**Stated** in *Blair v. Blair*, 8 N.C. App. 61, 173 S.E.2d 513 (1970).

**Cited** in *Fonvielle v. Fonvielle*, 8 N.C. App. 337, 174 S.E.2d 67 (1970).

**§ 50-16.5. Determination of amount of alimony.** — (a) Alimony shall be in such amount as the circumstances render necessary, having due regard to the estates, earnings, earning capacity, condition, accustomed standard of living of the parties, and other facts of the particular case.

(b) Except as provided in G.S. 50-16.6 in case of adultery, the fact that the dependent spouse has committed an act or acts which would be grounds for alimony if such spouse were the supporting spouse shall be grounds for disallowance of alimony or reduction in the amount of alimony when pleaded in defense by the supporting spouse. (1871-2, c. 193, ss. 37, 38, 39; 1883, c. 67; Code, ss. 1290, 1291, 1292; Rev., ss. 1565, 1566, 1567; 1919, c. 24; C. S., ss. 1665, 1666, 1667; 1921, c. 123; 1923, c. 52; 1951, c. 893, s. 3; 1953, c. 925; 1955, cc. 814, 1189; 1961, c. 80; 1967, c. 1152, s. 2.)

**Cross Reference.** — See note to § 50-16.1.

**Editor's Note.** — A number of cases in the following note were decided under former § 50-16, which dealt with actions for alimony without divorce.

**The purpose of the award** is to provide for the reasonable support of the wife, not to punish the husband or to divide his estate. *Schloss v. Schloss*, 273 N.C. 266, 160 S.E.2d 5 (1968), decided under former § 50-16.

The remedy established for the subsistence of the wife pending the trial and final determination of the issues involved and for her counsel fees is intended to enable her to maintain herself according to her station in life and to have sufficient funds to employ adequate counsel to meet her husband at the trial upon substantially equal terms. *Sprinkle v. Sprinkle*, 17 N.C. App. 175, 193 S.E.2d 468 (1972); *Newsome v. Newsome*, 22 N.C. App. 651, 207 S.E.2d 355 (1974).

**Discretion of Judge.** — The alimony which a husband was required to pay in proceedings instituted under former § 50-16 was "a reasonable subsistence," the amount of which the judge determined in the exercise of a sound

judicial discretion. His order determining that amount would not be disturbed unless there had been an abuse of discretion. *Sayland v. Sayland*, 267 N.C. 378, 148 S.E.2d 218 (1966).

The amount of alimony to be awarded is in the discretion of the court, but this is not an absolute discretion and unreviewable. *Schloss v. Schloss*, 273 N.C. 266, 160 S.E.2d 5 (1968), decided under former § 50-16.

The amount to be awarded for support pendente lite rests in the sound discretion of the hearing judge, and his determination will not be disturbed in the absence of a clear abuse of that discretion. *Schloss v. Schloss*, 273 N.C. 266, 160 S.E.2d 5 (1968), decided under former § 50-16.

The amount allowed by the court for alimony and support of children of the marriage will be disturbed only where there is a gross abuse of discretion. *Swink v. Swink*, 6 N.C. App. 161, 169 S.E.2d 539 (1969).

It is well settled that the amount to be awarded for alimony pendente lite and counsel fees rests in the sound discretion of the trial judge and his determination will not be disturbed in the absence of a clear abuse of that discretion.



Dixon v. Dixon, 6 N.C. App. 623, 170 S.E.2d 561 (1969).

After consideration of all the elements enumerated in this section, the amount to be awarded for alimony pendente lite rests in the sound discretion of the judge, and his determination thereof will not be disturbed in the absence of an abuse of discretion. Peeler v. Peeler, 7 N.C. App. 456, 172 S.E.2d 915 (1970).

The amount of alimony pendente lite is to be determined in the discretion of the trial judge in the same manner as the amount of alimony is determined. Little v. Little, 9 N.C. App. 361, 176 S.E.2d 521 (1970).

The trial judge must follow the requirements of this section in determining the amount of alimony to be awarded, but the determination of such amount lies within his sound discretion. Eudy v. Eudy, 288 N.C. 71, 215 S.E.2d 782 (1975).

The trial judge's determination of the amount of alimony is not absolute and unreviewable, but it will not be disturbed absent a clear abuse of discretion. Eudy v. Eudy, 288 N.C. 71, 215 S.E.2d 782 (1975).

The amount awarded by the trial court for alimony and child support will be disturbed only upon a showing of an abuse of discretion. Gibson v. Gibson, 24 N.C. App. 520, 211 S.E.2d 522 (1975).

The amount to be awarded for alimony is within the discretion of the trial court and will not be disturbed in the absence of a manifest abuse of such discretion. Spillers v. Spillers, 25 N.C. App. 261, 212 S.E.2d 676 (1975).

**Proper Exercise of Discretion Is Question of Law.** — Proper exercise of the trial judge's authority in granting alimony, alimony pendente lite, or counsel fees is a question of law, reviewable on appeal. Rickert v. Rickert, 282 N.C. 373, 193 S.E.2d 79 (1972).

**Discretion Must Be Exercised with Respect to Controlling Facts.** — An order directing the husband to make specified payments for the support of his wife until the birth of their child which expired at the birth of the child without provision for any payments thereafter, although made within the discretion of the court, was vacated and the cause remanded since the court's discretion was not exercised with respect to the controlling factual conditions. Garner v. Garner, 270 N.C. 293, 154 S.E.2d 46 (1967).

**In determining the needs of a dependent spouse, all of the circumstances of the parties should be taken into consideration**, including the property, earnings, earning capacity, condition and accustomed standard of living of the parties. Sprinkle v. Sprinkle, 17 N.C. App. 175, 193 S.E.2d 468 (1972).

An order awarding alimony payments to a dependent spouse and support payments to a minor child must be founded upon proper consideration of the estates, earnings, earning capacity, conditions, accustomed standard of

living of the parties or child, and other facts of the particular case. Williamson v. Williamson, 20 N.C. App. 669, 202 S.E.2d 489 (1974).

The trial court should take into consideration all the circumstances of the parties, including the property, earnings, earning capacity, financial needs and accustomed standard of living of the parties. Newsome v. Newsome, 22 N.C. App. 651, 207 S.E.2d 355 (1974).

An award of alimony should be based on the estate, earnings, income, obligations and expenses of the parties at the time the award is made. Eudy v. Eudy, 24 N.C. App. 516, 211 S.E.2d 536, aff'd, 288 N.C. 71, 215 S.E.2d 782 (1975).

**Parties Cannot Consent to Improperly Based Order.** — The parties, by their consent, cannot enable a trial judge to enter an order not based upon consideration of the several factors listed in § 50-13.4(c) and subsection (a) of this section. Williamson v. Williamson, 20 N.C. App. 669, 202 S.E.2d 489 (1974).

**Award Should Be Based on Defendant's Earnings at Time of Award.** — If the husband is honestly and in good faith engaged in a business to which he is properly adapted, and is making a good faith effort to earn a reasonable income, the award should be based on the amount which defendant is earning when the award is made. Robinson v. Robinson, 10 N.C. App. 463, 179 S.E.2d 144 (1971).

**One who has no income, but is able-bodied and capable of earning, may be ordered to pay subsistence.** Brady v. Brady, 273 N.C. 299, 160 S.E.2d 13 (1968).

The granting of a support allowance and the amount thereof does not necessarily depend upon the earnings of the husband and one who is able-bodied and capable of earning, may be ordered to pay subsistence. Robinson v. Robinson, 10 N.C. App. 463, 179 S.E.2d 144 (1971).

**To base an award on capacity to earn rather than actual earnings, there should be a finding based on evidence** that the husband is failing to exercise his capacity to earn because of a disregard of his marital obligation to provide reasonable support for his wife and children. Robinson v. Robinson, 10 N.C. App. 463, 179 S.E.2d 144 (1971).

While it is true that an award of alimony may be based upon the supporting spouse's ability to earn as distinguished from his actual income, the rule seems to be applied only when it appears from the record that there has been a deliberate attempt on the part of the supporting spouse to avoid financial family responsibilities by refusing to seek or to accept gainful employment; by willfully refusing to secure or take a job; by deliberately not applying himself to business; by intentionally depressing income to an artificial low; or by intentionally leaving



employment to go into another business. *Bowes v. Bowes*, 287 N.C. 163, 214 S.E.2d 40 (1975).

**The court must consider the estate and earnings of both husband and wife** in arriving at the sum which is just and proper for the husband to pay the wife, either as temporary or permanent alimony; it is a question of fairness and justice to both. *Sayland v. Sayland*, 267 N.C. 378, 148 S.E.2d 218 (1966).

**Dependent Spouse Need Not Be Impoverished Before Award Can Be Made.** — The law does not require that a dependent spouse should be impoverished before the court can make an award of alimony pendente lite. *Peeler v. Peeler*, 7 N.C. App. 456, 172 S.E.2d 915 (1970); *Sprinkle v. Sprinkle*, 17 N.C. App. 175, 193 S.E.2d 468 (1972).

**The financial ability of the husband to pay is a major factor** in the determination of the amount of subsistence to be awarded. *Schloss v. Schloss*, 273 N.C. 266, 160 S.E.2d 5 (1968), decided under former § 50-16.

**Wife's Property Does Not Relieve Husband of Duty to Support Her.** — The fact that the wife has property or means of her own does not relieve the husband of his duty to furnish her reasonable support according to his ability. *Sayland v. Sayland*, 267 N.C. 378, 148 S.E.2d 218 (1966).

The fact that the wife has property of her own does not relieve the husband of the duty to support her following his unjustified abandonment of her. *Schloss v. Schloss*, 273 N.C. 266, 160 S.E.2d 5 (1968), decided under former § 50-16.

Alimony pendente lite is measured, among other things, by the needs of the dependent spouse and the ability of the supporting spouse. The mere fact that the wife has property or means of her own does not prohibit an award of alimony pendente lite. *Peeler v. Peeler*, 7 N.C. App. 456, 172 S.E.2d 915 (1970); *Sprinkle v. Sprinkle*, 17 N.C. App. 175, 193 S.E.2d 468 (1972).

**But the earnings and means of the wife are matters to be considered** by the judge in determining the amount of alimony. *Sayland v. Sayland*, 267 N.C. 378, 148 S.E.2d 218 (1966).

It is proper for the trial judge to consider plaintiff's "earning capacity" in determining whether she could continue to maintain the standard of living enjoyed by her during her marriage. *Spillers v. Spillers*, 25 N.C. App. 261, 212 S.E.2d 676 (1975).

**The wife of a wealthy man**, who has abandoned her without justification, should be

awarded an amount somewhat commensurate with the normal standard of living of a wife of a man of like financial resources. *Schloss v. Schloss*, 273 N.C. 266, 160 S.E.2d 5 (1968), decided under former § 50-16.

**Husband May Be Required to Provide for Furnishing of Residence.** — The court has authority to require defendant husband to provide for the furnishing of the residence where plaintiff and two children reside, but the court should fix a definite dollar amount for defendant husband to expend for this purpose. *Kearns v. Kearns*, 6 N.C. App. 319, 170 S.E.2d 132 (1969).

**And He May Be Ordered to Pay Debts of Parties.** — The trial court has authority to order that defendant husband pay all debts of the parties as of the date of the order, such payment being associated with defendant's duty to support his wife. *Kearns v. Kearns*, 6 N.C. App. 319, 170 S.E.2d 132 (1969).

**Contributions Only Increasing Wife's Estate for Next of Kin Not Contemplated.** — The legislature did not contemplate that "reasonable subsistence," as used in former § 50-16, should include contributions by a husband which tend only to increase an estate for his estranged wife to pass on to her next of kin. *Sayland v. Sayland*, 267 N.C. 378, 148 S.E.2d 218 (1966).

**Facts Insufficient to Support Award.** — Where the trial court made certain findings as to the estate, income and expenses of plaintiff, but failed to make sufficient findings as to the estate, earnings, income and expenses of defendant, the trial court did not find sufficient facts to support its award of alimony. *Eudy v. Eudy*, 24 N.C. App. 516, 211 S.E.2d 536, aff'd, 288 N.C. 71, 215 S.E.2d 782 (1975).

**Alimony Held Excessive.** — Alimony payments of \$230.00 every four weeks — slightly more than three times the cost of the wife's actual subsistence in a state mental hospital at a cost of \$75 a month, even including the cost of guardianship — exceeded "reasonable subsistence." *Sayland v. Sayland*, 267 N.C. 378, 148 S.E.2d 218 (1966).

**Applied** in *Blake v. Blake*, 6 N.C. App. 410, 170 S.E.2d 87 (1969); *Little v. Little*, 18 N.C. App. 311, 196 S.E.2d 562 (1973); *Yearwood v. Yearwood*, 287 N.C. 254, 214 S.E.2d 95 (1975); *Shoaf v. Shoaf*, 25 N.C. App. 311, 212 S.E.2d 672 (1975); *Robinson v. Robinson*, 26 N.C. App. 178, 215 S.E.2d 179 (1975).

**Cited** in *Hatcher v. Hatcher*, 7 N.C. App. 562, 173 S.E.2d 33 (1970).

**§ 50-16.6. When alimony not payable.** — (a) Alimony or alimony pendente lite shall not be payable when adultery is pleaded in bar of demand for alimony or alimony pendente lite, made in an action or cross action, and the issue of adultery is found against the spouse seeking alimony, but this shall not be a bar to reasonable counsel fees.



(b) Alimony, alimony pendente lite, and counsel fees may be barred by an express provision of a valid separation agreement so long as the agreement is performed. (1871-2, c. 193, s. 39; Code, s. 1292; Rev., s. 1567; 1919, c. 24; C. S., s. 1667; 1921, c. 123; 1923, c. 52; 1951, c. 893, s. 3; 1953, c. 925; 1955, cc. 814, 1189; 1967, c. 1152, s. 2.)

**Cross Reference.** — See note to § 50-16.1.

**Subsection (a) is similar in language and import to prior law.** *Austin v. Austin*, 12 N.C. App. 286, 183 S.E.2d 420 (1971).

**The jurisdiction of the court is not barred by a prior separation agreement** between the parties. *Garner v. Garner*, 270 N.C. 293, 154 S.E.2d 46 (1967) (decided under former § 50-16).

**What Constitutes "Separation Agreement".** — To be a "separation agreement," there must be an agreement to separate or to live separately and apart. *Robuck v. Robuck*, 20 N.C. App. 374, 201 S.E.2d 557 (1974).

**Court Must Make Findings If Adultery Is Pleaded.** — When adultery is pleaded in bar of a demand for alimony or alimony pendente lite, an award or allowance of alimony pendente lite will not be sustained in the absence of a finding of fact on the issue of adultery in favor of the party seeking such an award. *Austin v. Austin*, 12 N.C. App. 286, 183 S.E.2d 420 (1971).

**Evidence of Adultery.** — While authority for blood-grouping tests is limited to an issue of paternity, in a case in which the issue is raised the results of the tests, if they exclude defendant as the father of a child admittedly born during the subsistence of the marriage, would also be evidence of adultery. *Wright v. Wright*, 281 N.C. 159, 188 S.E.2d 317 (1972).

**Experience of Counsel Representing Wife Bears Directly on Attempt to Set Settlement Aside.** — The eminence, experience, and character of counsel who represent the plaintiff in procuring a property settlement bear directly on her subsequent attempt to set it aside as fraudulent. *Van Every v. Van Every*, 265 N.C. 506, 144 S.E.2d 603 (1965) (decided under former § 50-16).

**Stated in** *Greene v. Greene*, 15 N.C. App. 314, 190 S.E.2d 258 (1972).

**§ 50-16.7. How alimony and alimony pendente lite paid; enforcement of decree.** — (a) Alimony or alimony pendente lite shall be paid by lump sum payment, periodic payments, or by transfer of title or possession of personal property or any interest therein, or a security interest in or possession of real property, as the court may order. In every case in which either alimony or alimony pendente lite is allowed and provision is also made for support of minor children, the order shall separately state and identify each allowance.

(b) The court may require the supporting spouse to secure the payment of alimony or alimony pendente lite so ordered by means of a bond, mortgage, or deed of trust, or any other means ordinarily used to secure an obligation to pay money or transfer property, or by requiring the supporting spouse to execute an assignment of wages, salary, or other income due or to become due.

(c) If the court requires the transfer of real or personal property or an interest therein as a part of an order for alimony or alimony pendente lite as provided in subsection (a) or for the securing thereof, the court may also enter an order which shall transfer title, as provided in G.S. 1A-1, Rule 70 and G.S. 1-228.

(d) The remedy of arrest and bail, as provided in article 34 of chapter 1 of the General Statutes, shall be available in actions for alimony or alimony pendente lite as in other cases.

(e) The remedies of attachment and garnishment, as provided in article 35 of chapter 1 of the General Statutes, shall be available in actions for alimony or alimony pendente lite as in other cases, and for such purposes the dependent spouse shall be deemed a creditor of the supporting spouse.

(f) The remedy of injunction, as provided in article 37 of chapter 1 of the General Statutes and G.S. 1A-1, Rule 65, shall be available in actions for alimony or alimony pendente lite as in other cases.

(g) Receivers, as provided in article 38 of chapter 1 of the General Statutes, may be appointed in actions for alimony or alimony pendente lite as in other cases.



(h) A dependent spouse for whose benefit an order for the payment of alimony or alimony pendente lite has been entered shall be a creditor within the meaning of article 3 of chapter 39 of the General Statutes pertaining to fraudulent conveyances.

(i) A judgment for alimony or alimony pendente lite obtained in an action therefor shall not be a lien against real property unless the judgment expressly so provides, sets out the amount of the lien in a sum certain, and adequately describes the real property affected; but past-due periodic payments may by motion in the cause or by a separate action be reduced to judgment which shall be a lien as other judgments.

(j) The wilful disobedience of an order for the payment of alimony or alimony pendente lite shall be punishable as for contempt as provided by G.S. 5-8 and G.S. 5-9.

(k) The remedies provided by chapter 1 of the General Statutes article 28, Execution; article 29B, Execution Sales; and article 31, Supplemental Proceedings, shall be available for the enforcement of judgments for alimony and alimony pendente lite as in other cases, but amounts so payable shall not constitute a debt as to which property is exempt from execution as provided in article 32 of chapter 1 of the General Statutes.

(l) The specific enumeration of remedies in this section shall not constitute a bar to remedies otherwise available. (1967, c. 1152, s. 2; 1969, c. 541, s. 5; c. 895, s. 18.)

**Local Modification.** — Person: 1967, c. 848, s. 2.

**Cross Reference.** — See note to § 50-16.1.

**Editor's Note.** — The first 1969 amendment substituted "of" for "or" between "assignment" and "wages" near the end of subsection (b).

The second 1969 amendment substituted "G.S. 1A-1, Rule 70" for "G.S. 1-227" in subsection (c) and inserted "and G.S. 1A-1, Rule 65" in subsection (f).

Session Laws 1969, c. 895, s. 21, provides: "This act shall be in full force and effect on and after January 1, 1970, and shall apply to actions and proceedings pending on that date as well as to actions and proceedings commenced on and after that date. This act takes effect on the same date as chapter 954 of the Session Laws of 1967, entitled an Act to Amend the Laws Relating to Civil Procedure. In the construction of that act and this act, no significance shall be attached to the fact that this act was enacted at a later date."

**The trial judge can award alimony in a lump payment or monthly payments.** Austin v. Austin, 12 N.C. App. 390, 183 S.E.2d 428 (1971).

**Or Combine Forms of Payment.** — The fact that a trial judge used a combination of both a lump sum payment and a continuing monthly payment for alimony does not constitute an abuse of discretion. Austin v. Austin, 12 N.C. App. 390, 183 S.E.2d 428 (1971).

**Court Need Not Transfer Property.** — This section in no way renders it mandatory or incumbent upon the trial court to order any transfer of property as part of the wife's alimony. Spillers v. Spillers, 25 N.C. App. 261, 212 S.E.2d 676 (1975).

**Agreement of Parties Incorporated in Judgment Is Enforceable by Contempt Proceedings.** — Where, in the wife's action for alimony and child support, the parties agreed to the terms of a judgment providing that the husband would make specified monthly support payments, and the judgment entered by the court ordered the husband to make the payments which he had agreed to make, the husband's obligation to make the support payments may be enforced by contempt proceedings. Parker v. Parker, 13 N.C. App. 616, 186 S.E.2d 607 (1972).

**Judgment May Be Enforced by Contempt Proceedings.** — A judgment ordering the payment of alimony may be enforced by the contempt power as provided for in §§ 5-8 and 5-9. Peoples v. Peoples, 8 N.C. App. 136, 174 S.E.2d 2 (1970).

A district court judge may hold a party to a proceeding before him in civil contempt for failure to comply with court orders issued pursuant to a confession of judgment regarding payment of alimony which was entered in the superior court prior to the establishment of a district court for the district in which the order was entered. Peoples v. Peoples, 8 N.C. App. 136, 174 S.E.2d 2 (1970).

**But the trial court must find as a fact that the defendant possessed the means to comply with orders of the court during the period when he was in default.** Cox v. Cox, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

An order for a defendant's arrest for wilful contempt of an earlier court order requiring him to make alimony payments must be remanded, where there was no evidence to support a finding



that defendant presently possessed the means to comply with the alimony order. *Earnhardt v. Earnhardt*, 9 N.C. App. 213, 175 S.E.2d 744 (1970).

Where the court enters judgment as for civil contempt, the court must find not only failure to comply with the order but that the defendant presently possesses the means to comply. *Cox v. Cox*, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

Where the lower court had not found as a fact that the defendant possessed the means to comply with the orders for payment of subsistence pendente lite at any time during the period when he was in default in such payments, the finding that the defendant's failure to make the payments of subsistence was deliberate and wilful was not supported by the record, and the decree committing him to imprisonment for contempt was set aside. *Cox v. Cox*, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

**Facts Found in Contempt Proceeding Not Reviewable Except upon Their Sufficiency.** — In proceedings for contempt the facts found by the judge are not reviewable except for the purpose of passing upon their sufficiency to warrant the judgment. *Cox v. Cox*, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

**Nonresident Defendant May Be Required to Post Bond.** — Under § 50-13.4(f)(1) and subsection (b) of this section, the court properly required supporting spouse to post a security bond to secure his compliance with a judgment requiring him to make monthly payments for support of his wife and children, where the court found that defendant no longer resided within the State and that he had no attorney of record in the case. *Parker v. Parker*, 13 N.C. App. 616, 186 S.E.2d 607 (1972).

**Error to Imprison Where Party Can Pay Portion of Alimony.** — Where the trial judge found that the party was a healthy and able-bodied man for his age, and further found that he could pay at least a portion of the alimony, it was error to imprison him until he should pay the whole amount. *Cox v. Cox*, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

**Punishment by Contempt Requires "Wilful" Disobedience.** — Failure to obey an order of a court cannot be punished by contempt proceedings unless the disobedience is wilful. *Cox v. Cox*, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

**And "wilful" imports knowledge and a stubborn resistance.** *Cox v. Cox*, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

One does not act "wilfully" in failing to comply with a judgment if it has not been within his power to do so since the judgment was rendered. *Cox v. Cox*, 10 N.C. App. 476, 179 S.E.2d 194 (1971).

**Income from Trust Administered in State Is Subject to Execution.** — In a wife's action for divorce from bed and board and for permanent alimony, the husband's income from a trust created in another jurisdiction and administered by a trustee bank in this State is subject to execution to satisfy the judgment of the wife against the husband for alimony, child support and counsel fees. *Swink v. Swink*, 6 N.C. App. 161, 169 S.E.2d 539 (1969).

**Court Cannot Order Sale of Land Owned by Husband and Wife as Tenants by Entirety.** — Although the rents and profits therefrom and the actual possession thereof may be made available for the support of the wife, the court does not have the power to order the sale of land owned by husband and wife as tenants by the entirety in order to procure funds to pay alimony to the wife or to pay her counsel fees. *Koob v. Koob*, 283 N.C. 129, 195 S.E.2d 552 (1973).

**Wife Has No Present Right to Disbursement of Eminent Domain Deposit for Land Owned by Entirety.** — A wife separated from her husband and seeking alimony pendente lite has no present right to disbursement of money deposited by the State Highway Commission as a credit against just compensation for land owned by the wife and her husband as tenants by entirety. *North Carolina State Highway Comm'n v. Myers*, 270 N.C. 258, 154 S.E.2d 87 (1967) (decided under former § 50-16).

**Court order requiring defendant to secure payment of temporary alimony by means of deed of trust** did not give to plaintiff fixed or permanent interest as cestui que trust, or any right to the entire proceeds of foreclosure sale under deed of trust; the orders simply provided a means of securing payment of alimony, and the court was not required to find a change of circumstances as a basis for ordering the payment of a part of the proceeds of foreclosure sale to satisfy a judgment lien against defendant or to pay the fee of defendant's attorney. *Johnson v. Johnson*, 25 N.C. App. 448, 213 S.E.2d 427 (1975).

**Applied in** *Kearns v. Kearns*, 6 N.C. App. 319, 170 S.E.2d 132 (1969); *Little v. Little*, 9 N.C. App. 361, 176 S.E.2d 521 (1970); *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971); *Williams v. Williams*, 13 N.C. App. 468, 186 S.E.2d 210 (1972); *Yearwood v. Yearwood*, 287 N.C. 254, 214 S.E.2d 95 (1975).

**Quoted in** *Robinson v. Robinson*, 10 N.C. App. 463, 179 S.E.2d 144 (1971).

**Cited in** *Boston v. Freeman*, 6 N.C. App. 736, 171 S.E.2d 206 (1969); *Hinton v. Hinton*, 17 N.C. App. 715, 195 S.E.2d 319 (1973).



**§ 50-16.8. Procedure in actions for alimony and alimony pendente lite. —**

(a) The procedure in actions for alimony and actions for alimony pendente lite shall be as in other civil actions except as provided in this section.

(b) Payment of alimony may be ordered:

- (1) Upon application of the dependent spouse in an action by such spouse for divorce, either absolute or from bed and board; or
- (2) Upon application of the dependent spouse in a separate action instituted for the purpose of securing an order for alimony without divorce; or
- (3) Upon application of the dependent spouse as a cross action in a suit for divorce, whether absolute or from bed and board, or a proceeding for alimony without divorce, instituted by the other spouse.

(c) A cross action for divorce, either absolute or from bed and board, shall be allowable in an action for alimony without divorce.

(d) Payment of alimony pendente lite may be ordered:

- (1) Upon application of the dependent spouse in an action by such spouse for absolute divorce, divorce from bed and board, annulment, or for alimony without divorce; or
- (2) Upon application of the dependent spouse as a cross action in a suit for divorce, whether absolute or from bed and board, annulment, or for alimony without divorce, instituted by the other spouse.

(e) No order for alimony pendente lite shall be made unless the supporting spouse shall have had five days' notice thereof; but if the supporting spouse shall have abandoned the dependent spouse and left the State, or shall be in parts unknown, or is about to remove or dispose of his or her property for the purpose of defeating the claim of the dependent spouse, no notice is necessary.

(f) When an application is made for alimony pendente lite, the parties shall be heard orally, upon affidavit, verified pleading, or other proof, and the judge shall find the facts from the evidence so presented.

(g) When a district court having jurisdiction of the matter shall have been established, application for alimony pendente lite shall be made to such district court, and may be heard without a jury by a judge of said court at any time.

(h) In any case where a claim is made for alimony without divorce, when there is a minor child, the pleading shall set forth the name and age of each such child; and if there be no minor child, the pleading shall so state. (1871-2, c. 193, ss. 37, 38, 39; 1883, c. 67; Code, ss. 1290, 1291, 1292; Rev., ss. 1565, 1566, 1567; 1919, c. 24; C. S., ss. 1665, 1666, 1667; 1921, c. 123; 1923, c. 52; 1951, c. 893, s. 3; 1953, c. 925; 1955, cc. 814, 1189; 1961, c. 80; 1967, c. 1152, s. 2; 1971, c. 1185, s. 25.)

**Cross Reference.** — See note to § 50-16.1.

**Editor's Note.** — The 1971 amendment, effective Oct. 1, 1971, in subsection (g), deleted the former second and third sentences dealing with applications for alimony pendente lite until a district court having jurisdiction shall have been established, and a former fourth sentence providing: "If a court other than the superior court has jurisdiction over such application at the time of the application, such jurisdiction shall not be affected by this subsection 50-16.8 (g)."

A number of cases in the following note were decided under former § 50-16, which dealt with actions for alimony without divorce.

**"Dependent Spouse".** — To find that one is a "dependent spouse" within the meaning of § 50-16.1(3) is a consequence of two or more related propositions taken as premises, one being the fact that the relationship of spouse

exists, and the other consisting of at least the finding that one of the two alternatives in § 50-16.1(3) is a fact. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

**"Supporting Spouse".** — To find that one is a "supporting spouse" within the meaning of § 50-16.1(4) is a consequence of two or more related propositions taken as premises, one being that the relationship of spouse exists, and the other consisting of the finding that one of three alternatives in § 50-16.1(4) is a fact. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

**The determination of what constitutes a "dependent spouse" and what constitutes a "supporting spouse"** requires an application of principles of statutory law to facts and are therefore mixed questions of law and fact. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).



**Jurisdiction over Alimony Proceedings.** — The district court has jurisdiction over alimony proceedings and, indeed, the legislature has decreed that it is the only "proper" division for such a proceeding. *Peoples v. Peoples*, 8 N.C. App. 136, 174 S.E.2d 2 (1970).

**The residency requirement of § 50-8 is not applicable in an action for alimony without divorce.** *Eudy v. Eudy*, 288 N.C. 71, 215 S.E.2d 782 (1975).

**Alimony without Divorce and Alimony Pendente Lite Are Separate Remedies.** — Former § 50-16 provided two remedies, one for alimony without divorce, and another for subsistence and counsel fees pending trial and final disposition of the issues involved. *Richardson v. Richardson*, 268 N.C. 538, 151 S.E.2d 12 (1966); *Myers v. Myers*, 270 N.C. 263, 154 S.E.2d 84 (1967).

**Procedure in Actions for Alimony without Divorce.** — This section changes the procedure to be followed in actions for alimony without divorce from the divorce procedure set forth in § 50-10, to the procedure applicable to other civil actions. *Williams v. Williams*, 13 N.C. App. 468, 186 S.E.2d 210 (1972); *Whitaker v. Whitaker*, 16 N.C. App. 432, 192 S.E.2d 80 (1972).

**Jury Trial Required for Permanent Alimony But Not Alimony Pendente Lite.** — The issuable facts raised by the pleadings in an action for alimony without divorce must be submitted to and passed upon by a jury before a judgment granting permanent alimony may be entered. However, in respect of allowances for alimony and counsel fees pendente lite, "the allowances pendente lite form no part of the ultimate relief sought, do not affect the final rights of the parties, and the power of the judge to make them is constitutionally exercised without the intervention of the jury. *Davis v. Davis*, 269 N.C. 120, 152 S.E.2d 306 (1967).

Pursuant to subsection (g) of this section, a supporting spouse is not entitled to a jury trial on the matter of alimony pendente lite. *Austin v. Austin*, 12 N.C. App. 286, 183 S.E.2d 420 (1971).

**Parties May Waive Jury Trial.** — Issues of fact in an action for alimony without divorce may be determined by the judge if a jury trial is waived by failing to make timely demand pursuant to § 1A-1, Rule 38(b), since this section changes the procedure to be followed in actions for alimony without divorce from the divorce procedure set forth in § 50-10 to the procedure applicable to other civil actions. *Williams v. Williams*, 13 N.C. App. 468, 186 S.E.2d 210 (1972); *Whitaker v. Whitaker*, 16 N.C. App. 432, 192 S.E.2d 80 (1972); *Sprinkle v. Sprinkle*, 17 N.C. App. 175, 193 S.E.2d 468 (1972).

**Improper venue**, in an action for alimony pendente lite and alimony without divorce, is subject to attack under § 1A-1, Rule 12(b)(3).

*Little v. Little*, 12 N.C. App. 353, 183 S.E.2d 278 (1971).

**Court Lacked Authority to Rule While Change of Venue Motion Was Pending.** — When supporting spouse in apt time made a proper motion for change of venue under § 1A-1, Rule 12(b)(3), it became a matter of right and the district court was without authority to proceed further in the cause until the motion to remove had been determined. Since the court lacked authority to make any ruling on the merits while the motion to change venue was pending, it was error to enter an order granting alimony pendente lite and counsel fees. *Little v. Little*, 12 N.C. App. 353, 183 S.E.2d 278 (1971).

**Improper Amendment of Complaint.** — Where plaintiff's wife made no application for an award of alimony in her complaint nor did she allege therein that she was a dependent spouse or otherwise give notice in her pleading of any facts which would entitle her to an award of alimony, by filing the application, she was in effect attempting improperly to amend her complaint so as to assert a completely different cause of action. *McCarley v. McCarley*, 24 N.C. App. 373, 210 S.E.2d 531, cert. granted, 286 N.C. 545, 212 S.E.2d 167 (1975).

**Discretion of Judge as to Form of Evidence as to Alimony Pendente Lite.** — The words "may be heard in or out of term, orally or upon affidavit, or either or both" in former § 50-16 gave the judge hearing the motion for alimony pendente lite the discretion to decide in what form he should receive the evidence in his efforts to ascertain the truth. *Miller v. Miller*, 270 N.C. 140, 153 S.E.2d 854 (1967).

**Trial Judge Is Required to Make Findings of Fact.** — The provision of Rule 52(a)(2) that the trial judge is not required to make findings of fact unless requested to do so by a party does not abrogate the specific requirement of subsection (f) of this section that the trial judge shall make findings of fact upon an application for alimony pendente lite, since the Rules of Civil Procedure are of general application and do not abrogate the requirements of a statute of more specificity. *Hatcher v. Hatcher*, 7 N.C. App. 562, 173 S.E.2d 33 (1970).

Rule 52 of the Rules of Civil Procedure entitled "Findings by the Court" does not apply in awarding alimony pendente lite. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

While the precise factual findings which must be made under subsection (f) of this section will vary depending upon the pleadings, evidence and circumstances of each case, the trial judge must make sufficient findings of the controverted material facts at issue to show that the award of alimony pendente lite is justified and appropriate. *Austin v. Austin*, 12 N.C. App. 286, 183 S.E.2d 420 (1971); *Presson v. Presson*, 13 N.C. App. 81, 185 S.E.2d 17 (1971).



The requirement of subsection (f) that facts be found to support an award of alimony is a new one imposed by the 1967 Act, Session Laws 1967, c. 1153, s. 2. *Austin v. Austin*, 12 N.C. App. 286, 183 S.E.2d 420 (1971).

**But Detailed Findings Are Not Required.** — In making findings of fact under subsection (f) of this section it is not necessary that the trial judge make detailed findings as to each allegation and evidentiary fact presented. It is necessary that he find the ultimate facts sufficient to establish that the dependent spouse is entitled to an award of alimony pendente lite under the provisions of § 50-16.3(a). *Blake v. Blake*, 6 N.C. App. 410, 170 S.E.2d 87 (1969).

The Court of Appeals does not interpret subsection (f) to require the trial judge to make findings as to each allegation and evidentiary fact presented. However, it is necessary for the trial judge to make findings from which it can be determined, upon appellate review, that an award of alimony pendente lite is justified and appropriate in the case. *Hatcher v. Hatcher*, 7 N.C. App. 562, 173 S.E.2d 33 (1970); *Sprinkle v. Sprinkle*, 17 N.C. App. 175, 193 S.E.2d 468 (1972); *Newsome v. Newsome*, 22 N.C. App. 651, 207 S.E.2d 355 (1974).

In making findings of fact, it is not necessary that the trial judge make detailed findings as to each allegation and evidentiary fact presented. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

**Ultimate facts** are the final facts required to establish the plaintiff's cause of action or the defendant's defense. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

An ultimate fact is the final resulting effect which is reached by processes of logical reasoning from the evidentiary facts. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

Whether a statement is an ultimate fact or a conclusion of law depends upon whether it is reached by natural reasoning or by an application of fixed rules of law. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

**Evidentiary facts** are those subsidiary facts required to prove the ultimate facts. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

**The judge must find the ultimate facts** sufficient to establish that the dependent spouse is entitled to an award of alimony pendente lite under the provisions of § 50-16.3(a). *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

**Also specific factual findings as to each ultimate fact at issue upon which the rights of the litigants are predicated must be found.** *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971); *Sprinkle v. Sprinkle*, 17 N.C. App. 175, 193 S.E.2d 468 (1972).

It is necessary for the trial judge to make findings from which it can be determined, upon appellate review, that an award of alimony pendente lite is justified and appropriate in the

case. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

**Finding of Fact Is Narrative Statement of Ultimate Fact.** — A finding of fact in an alimony pendente lite matter is a narrative statement by the trial judge of the ultimate fact at issue and need not include the evidentiary or subsidiary facts required to prove the ultimate facts. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971); *Sprinkle v. Sprinkle*, 17 N.C. App. 175, 193 S.E.2d 468 (1972).

Findings that the defendant left the home on July 21, 1970, had abandoned the plaintiff, and had failed to provide adequate support for her were a narrative statement of some of the ultimate facts at issue, and were not conclusions. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

**The ultimate facts at issue in proceedings often differ**, thus a necessary finding of facts in one case may not be necessary in another case. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

The findings of fact in any given case should be "tailor-made" to settle the matters at issue between the parties. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

**Present Requirement for Findings of Fact Is Departure from Previous Practice.** — The present statutory requirement for findings of fact by the trial judge in pendente lite awards of alimony is a departure from the practice as it existed prior to 1 October 1967. *Hatcher v. Hatcher*, 7 N.C. App. 562, 173 S.E.2d 33 (1970).

The requirement that the judge shall find the facts is a departure from the practice as it existed prior to October 1, 1967. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

The statutory requirement for findings of fact changes the prior rule that no findings of fact were necessary in alimony pendente lite matters unless adultery was charged against the wife. *Rickert v. Rickert*, 282 N.C. 373, 193 S.E.2d 79 (1972).

**The distinction between the "finding of facts" and the "stating of conclusions" by a trial judge** after he has heard the evidence in an alimony pendente lite matter is somewhat analogous to the distinction between a witness testifying as to a "fact" and stating his "opinion." *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

Facts are the basis for conclusions, and to call a "conclusion" a "finding of fact" does not make it one. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971).

**Facts found in an alimony pendente lite case must be determinative of all questions at issue.** *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971); *Sprinkle v. Sprinkle*, 17 N.C. App. 175, 193 S.E.2d 468 (1972).

**A failure to make a proper finding of fact** in a matter at issue between the parties will result



in prejudicial error, especially where the evidence is conflicting. *Peoples v. Peoples*, 10 N.C. App. 402, 179 S.E.2d 138 (1971); *Sprinkle v. Sprinkle*, 17 N.C. App. 175, 193 S.E.2d 468 (1972).

**Findings of fact are not required to support the trial judge's finding of the amount of alimony in action for divorce from bed and board or in action for alimony pendente lite.** *Eudy v. Eudy*, 288 N.C. 71, 215 S.E.2d 782 (1975).

**The doctrine of res judicata applies to divorce actions as well as other civil cases.** *Garner v. Garner*, 268 N.C. 664, 151 S.E.2d 553 (1966).

**Award of permanent alimony ordinarily terminates an order for subsistence pendente lite or counsel fees.** *Rickert v. Rickert*, 282 N.C. 373, 193 S.E.2d 79 (1972).

**Action for Alimony Based on Abandonment Barred by Verdict in Divorce Action.** — The fact that the wife has the alternate remedy of independent action or a cross action to secure alimony without divorce has no effect on the principles of res judicata and does not authorize her to bring an independent action based upon abandonment when the issue of abandonment has theretofore been determined adversely to

her by verdict of the jury in the husband's action for divorce on the grounds of separation. *Garner v. Garner*, 268 N.C. 664, 151 S.E.2d 553 (1966).

**Appellate Review.** — The granting or denial of a motion for temporary alimony (pendente lite) is within the discretion of the trial judge and as such is normally not reviewable on appeal. However, the same may not be said about a dismissal of an action for alimony without divorce. *Holcomb v. Holcomb*, 7 N.C. App. 329, 172 S.E.2d 212 (1970).

**Applied in** *Kearns v. Kearns*, 6 N.C. App. 319, 170 S.E.2d 132 (1969); *Peeler v. Peeler*, 7 N.C. App. 456, 172 S.E.2d 915 (1970); *Boone v. Boone*, 8 N.C. App. 524, 174 S.E.2d 833 (1970); *Briggs v. Briggs*, 21 N.C. App. 674, 205 S.E.2d 547 (1974); *Simmons v. Simmons*, 22 N.C. App. 68, 205 S.E.2d 582 (1974); *Yearwood v. Yearwood*, 287 N.C. 254, 214 S.E.2d 95 (1975).

**Stated in** *Howell v. Howell*, 19 N.C. App. 260, 198 S.E.2d 462 (1973); *Therrell v. Therrell*, 19 N.C. App. 321, 198 S.E.2d 776 (1973).

**Cited in** *Harper v. Harper*, 9 N.C. App. 341, 176 S.E.2d 48 (1970); *Mitchell v. Mitchell*, 12 N.C. App. 54, 182 S.E.2d 627 (1971); *Hogue v. Hogue*, 20 N.C. App. 583, 202 S.E.2d 327 (1974).

**§ 50-16.9. Modification of order.** — (a) An order of a court of this State for alimony or alimony pendente lite, whether contested or entered by consent, may be modified or vacated at any time, upon motion in the cause and a showing of changed circumstances by either party or anyone interested. This section shall not apply to orders entered by consent before October 1, 1967.

(b) If a dependent spouse who is receiving alimony under a judgment or order of a court of this State shall remarry, said alimony shall terminate.

(c) When an order for alimony has been entered by a court of another jurisdiction, a court of this State may, upon gaining jurisdiction over the person of both parties in a civil action instituted for that purpose, and upon a showing of changed circumstances, enter a new order for alimony which modifies or supersedes such order for alimony to the extent that it could have been so modified in the jurisdiction where granted. (1871-2, c. 193, ss. 38, 39; 1883, c. 67; Code, ss. 1291, 1292; Rev., ss. 1566, 1567; 1919, c. 24; C. S., ss. 1666, 1667; 1921, c. 123; 1923, c. 52; 1951, c. 893, s. 3; 1953, c. 925; 1955, cc. 814, 1189; 1961, c. 80; 1967, c. 1152, s. 2.)

**Cross Reference.** — See note to § 50-16.1.

**Editor's Note.** — A number of cases in the following note were decided under former § 50-16, which dealt with actions for alimony without divorce.

**An order for payment of alimony is not a final judgment**, since it may be modified upon application of either party; thus, an action for alimony would continue to be "pending" in the court of proper jurisdiction, which is now the district court. *Peoples v. Peoples*, 8 N.C. App. 136, 174 S.E.2d 2 (1970).

**Judgment Presumed Correct.** — The presumption is in favor of the correctness of the judgment of the lower court and the burden is

upon appellant to show error. *Shore v. Shore*, 15 N.C. App. 629, 190 S.E.2d 666 (1972).

When the evidence is not in the record, it will be presumed that there was sufficient evidence to support the findings of fact necessary to support the judgment. *Shore v. Shore*, 15 N.C. App. 629, 190 S.E.2d 666 (1972).

**Power to Modify Includes Power to Terminate Award.** — The power to modify includes, in a proper case, power to terminate the award absolutely. *Sayland v. Sayland*, 267 N.C. 378, 148 S.E.2d 218 (1966); *Crosby v. Crosby*, 272 N.C. 235, 158 S.E.2d 77 (1967).

**A change in circumstances must be shown** in order to modify an order relating to custody, support or alimony. *Elmore v. Elmore*, 4 N.C.



App. 192, 166 S.E.2d 506 (1969); McDowell v. McDowell, 13 N.C. App. 643, 186 S.E.2d 621 (1972).

**Movant for Modification Has Burden to Show Changed Circumstances.** — Upon a motion for modification of an award of alimony and support pendente lite the movant has the burden of going forward with the evidence to show change of circumstances. Robinson v. Robinson, 10 N.C. App. 463, 179 S.E.2d 144 (1971); McDowell v. McDowell, 13 N.C. App. 643, 186 S.E.2d 621 (1972).

The burden of proving, by a preponderance of the evidence, that a material change in the circumstances has occurred is upon the party requesting the modification. Shore v. Shore, 15 N.C. App. 629, 190 S.E.2d 666 (1972).

**A finding of a change of circumstances** does not necessarily require or justify a modification of the previous order. Robinson v. Robinson, 10 N.C. App. 463, 179 S.E.2d 144 (1971).

**Any Considerable Change in Health or Financial Condition Warrants Change of Decree.** — Any considerable change in the health or financial condition of the parties will warrant an application for change or modification of an alimony decree. Sayland v. Sayland, 267 N.C. 378, 148 S.E.2d 218 (1966); Crosby v. Crosby, 272 N.C. 235, 158 S.E.2d 77 (1967).

**But payment of alimony may not be avoided merely because it has become burdensome,** or because the husband has remarried and voluntarily assumed additional obligations. Sayland v. Sayland, 267 N.C. 378, 148 S.E.2d 218 (1966); Crosby v. Crosby, 272 N.C. 235, 158 S.E.2d 77 (1967).

**Increase in Wife's Needs or Decrease in Estate Warrants Increase in Alimony.** — An increase in the wife's needs, or a decrease in her separate estate, may warrant an increase in alimony. Sayland v. Sayland, 267 N.C. 378, 148 S.E.2d 218 (1966).

**And Decrease in Needs May Be Considered on Motion to Reduce Allowance.** — A decrease in the wife's needs is a change in condition which may be properly considered in passing upon a husband's motion to reduce her allowance. Sayland v. Sayland, 267 N.C. 378, 148 S.E.2d 218 (1966).

**As May Acquisition of Property or Increase in Its Value.** — The fact that the wife has acquired a substantial amount of property, or that her property has increased in value, after entry of a decree for alimony or maintenance, is an important consideration in determining whether and to what extent the decree should be modified. Sayland v. Sayland, 267 N.C. 378, 148 S.E.2d 218 (1966).

**Award Should Be Based on Defendant's Earnings at Time of Award.** — If the husband is honestly and in good faith engaged in a business to which he is properly adapted, and is

making a good faith effort to earn a reasonable income, the award should be based on the amount which defendant is earning when the award is made. Robinson v. Robinson, 10 N.C. App. 463, 179 S.E.2d 144 (1971).

**However, the granting of a support allowance and the amount thereof does not necessarily depend upon the earnings of the husband,** and one who is able-bodied and capable of earning, may be ordered to pay subsistence. Robinson v. Robinson, 10 N.C. App. 463, 179 S.E.2d 144 (1971).

**To base an award on capacity to earn rather than actual earnings, there should be a finding based on evidence** that the husband is failing to exercise his capacity to earn because of a disregard of his marital obligation to provide reasonable support for his wife and children. Robinson v. Robinson, 10 N.C. App. 463, 179 S.E.2d 144 (1971).

**Failure to Exercise Capacity to Earn.** — Where an issue of whether the husband is failing to exercise his capacity to earn because of a disregard of his marital and parental obligations to provide adequate support is raised, the trial judge should make findings from the evidence to resolve that issue. Robinson v. Robinson, 10 N.C. App. 463, 179 S.E.2d 144 (1971).

If the evidence supports a finding, and the trial judge so finds, that the husband has voluntarily reduced his actual earnings, and is failing to exercise his capacity to earn because of a disregard of his marital or parental obligations to provide adequate support, then the award should not be modified to accommodate the reduced actual earnings. Robinson v. Robinson, 10 N.C. App. 463, 179 S.E.2d 144 (1971).

**Obligation Ceased When Plaintiff Remarried.** — Defendant's obligation to make payments pursuant to a consent judgment with plaintiff which designated such payments as alimony ceased as a matter of law pursuant to this section when the plaintiff remarried. Martin v. Martin, 26 N.C. App. 506, 216 S.E.2d 456 (1975).

**Section Does Not Expressly Authorize Award of Counsel Fees.** — This section contains no express statutory authorization for an order directing payment of counsel fees for services rendered subsequent to an absolute divorce of the parties. Shore v. Shore, 15 N.C. App. 629, 190 S.E.2d 666 (1972).

**But Such Fees May Be Awarded Subsequent to Absolute Divorce.** — Unless the case falls within one of the two exceptions made by § 50-11(c), counsel fees may be awarded for services rendered to a dependent spouse subsequent to an absolute divorce in seeking to obtain or in resisting, a motion for a revision of alimony or other rights provided under any judgment or decree of a court rendered before or at the time of the rendering of the judgment for absolute



divorce. *Shore v. Shore*, 15 N.C. App. 629, 190 S.E.2d 666 (1972).

**And Such Award Is Discretionary.** — Whether any award of counsel fees for services subsequent to an absolute divorce should be made in a particular case, and the amount of such an award, must remain within the sound discretion of the trial court. *Shore v. Shore*, 15 N.C. App. 629, 190 S.E.2d 666 (1972).

**Award of Counsel Fees Proper Where Former Husband Brought Suit.** — The former husband, by his own action in seeking to terminate his obligation to make further payments to plaintiff, forced the plaintiff to incur expenses for attorney's fees simply to preserve rights which were already hers as result of a decree originally entered prior to the divorce. The trial court had authority, in its sound discretion, to order defendant to pay plaintiff's reasonable counsel fees. *Shore v. Shore*, 15 N.C. App. 629, 190 S.E.2d 666 (1972).

**Modification of a Texas judgment to provide for payment of one half of the retirement pay by defendant to the plaintiff was not necessary, since retirement pay and the division thereof is**

not alimony in Texas but under certain circumstances is community property. *Brown v. Brown*, 21 N.C. App. 435, 204 S.E.2d 534 (1974).

**Court order requiring defendant to secure payment of temporary alimony by means of a deed of trust** did not give to plaintiff fixed or permanent interest as cestui que trust, or any right to the entire proceeds of foreclosure sale under deed of trust; the orders simply provided a means of securing payment of alimony, and the court was not required to find a change of circumstances as a basis for ordering the payment of a part of the proceeds of foreclosure sale to satisfy a judgment lien against defendant or to pay the fee of defendant's attorney. *Johnson v. Johnson*, 25 N.C. App. 448, 213 S.E.2d 427 (1975).

**Applied** in *Brooks v. Brooks*, 12 N.C. App. 626, 184 S.E.2d 417 (1971).

**Quoted** in *Dunn v. Dunn*, 1 N.C. App. 532, 162 S.E.2d 73 (1968).

**Cited** in *Smith v. Smith*, 17 N.C. App. 416, 194 S.E.2d 568 (1973); *Bowen v. Bowen*, 19 N.C. App. 710, 200 S.E.2d 214 (1973); *Bailey v. Bailey*, 26 N.C. App. 444, 216 S.E.2d 394 (1975).

**§ 50-16.10. Alimony without action.** — Alimony without action may be allowed by confession of judgment under article 24, chapter 1, of the General Statutes. (1967, c. 1152, s. 2.)

**Cross Reference.** — See note to § 50-16.1.

**Editor's Note.** — Article 24 of Chapter 1, cited in this section, was repealed by Session Laws 1967, c. 954, s. 4. For present provisions as to

confession of judgment, see Rule 68.1 of the Rules of Civil Procedure (§ 1A-1).

**Cited** in *Richardson v. Richardson*, 4 N.C. App. 99, 165 S.E.2d 678 (1969).

## § 50-17. Alimony in real estate, writ of possession issued.

**Editor's Note.** — For note on tenancy by the entirety in real property during marriage, see 47 N.C.L. Rev. 963 (1969).

**Stated** in *Hinton v. Hinton*, 17 N.C. App. 715, 195 S.E.2d 319 (1973).

**§ 50-18. Residence of military personnel; payment of defendant's travel expenses by plaintiff.**

**Editor's Note.** —

For note on choice of law rules in North Carolina, see 48 N.C.L. Rev. 243 (1970).



**Chapter 51.****Marriage.****Article 1.****General Provisions.**

Sec.

51-1. Requisites of marriage; solemnization.

51-2. Capacity to marry.

**Article 2.****Marriage Licenses.**

51-6. Solemnization without license unlawful.

51-7. Penalty for solemnizing without license.

51-8. License issued by register of deeds.

51-8.1. [Repealed.]

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Sec.

51-10. Exceptions to § 51-9.

51-11. Who may execute certificate; form.

51-12. Eugenic sterilization for persons adjudged of unsound mind, etc.

51-14. [Repealed.]

51-15. Obtaining license by false representation misdemeanor.

51-16. Form of license.

51-18. Record of licenses and returns; originals filed.

51-20. [Repealed.]

51-21. Issuance of delayed marriage certificates.

**ARTICLE 1.****General Provisions.**

§ 51-1. **Requisites of marriage; solemnization.** — The consent of a male and female person who may lawfully marry, presently to take each other as husband and wife, freely, seriously and plainly expressed by each in the presence of the other, and in the presence of an ordained minister of any religious denomination, minister authorized by his church, or of a magistrate, and the consequent declaration by such minister or officer that such persons are man and wife, shall be a valid and sufficient marriage: Provided, that the rite of marriage among the Society of Friends, according to a form and custom peculiar to themselves, shall not be interfered with by the provisions of this Chapter: Provided further, that marriages solemnized and witnessed by a local spiritual assembly of the Baha'is, according to the usage of their religious community, shall be valid; provided further, marriages solemnized before March 9, 1909, by ministers of the gospel licensed, but not ordained, are validated from their consummation. (1871-2, c. 193, s. 3; Code, s. 1812; Rev., s. 2081; 1908, c. 47; 1909, c. 704, s. 2; c. 897; C. S., s. 2493; 1945, c. 839; 1965, c. 152; 1971, c. 1185, s. 26.)

**Local Modification.** — Town of Sparta: 1969, c. 1020.

**Editor's Note.** —

The 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice of the peace" in the first sentence, and deleted a former last sentence.

For comment on the enforceability of marital contracts, see 47 N.C.L. Rev. 815 (1969).

**Wife Need Not Use Husband's Surname.** —

There is no statutory requirement in this State that a married woman use her husband's surname. In re Mohlman, 26 N.C. App. 220, 216 S.E.2d 147 (1975).

§ 51-2. **Capacity to marry.** — (a) All unmarried persons of 18 years, or older, may lawfully marry, except as hereinafter forbidden. In addition, persons over 16 years of age and under 18 years of age may marry, and the register of deeds may issue a license for such marriage, only after there shall have been filed with the register of deeds a written consent to such marriage, said consent having been signed by the appropriate person as follows:

- (1) By the father if the male or female child applying to marry resides with his or her father, but not with his or her mother;
- (2) By the mother if the male or female child applying to marry resides with his or her mother, but not with his or her father;



- (3) By either the mother or father, without preference, if the male or female child applying to marry resides with his or her mother and father;
- (4) By a person, agency, or institution having legal custody, standing in loco parentis, or serving as guardian of such male or female child applying to marry.

(b) When an unmarried female who is more than 12 years old, but less than 18 years old, is pregnant or has given birth to a child and such unmarried female and the putative father of the child, either born or unborn, shall agree to marry, and consent in writing to such marriage, as set out in subsection (a), subdivisions (1), (2), (3) or (4) above, or by the director of social services of the county of residence of either party, is given on the part of the female, the register of deeds is authorized to issue to said parties a license to marry, and it shall be lawful for them to marry in accordance with the provisions of this chapter.

(c) When a license to marry is procured by or on behalf of any person under 18 years of age by fraud or misrepresentation, a parent or person standing in loco parentis to such person under 18 years of age shall be a proper party plaintiff in an action to annul said marriage. (R. C., c. 68, s. 14; 1871-2, c. 193; Code, s. 1809; Rev., s. 2082; C. S., s. 2494; 1923, c. 75; 1933, c. 269, s. 1; 1939, c. 375; 1947, c. 383, s. 2; 1961, c. 186; 1967, c. 957, s. 1; 1969, c. 982.)

**Editor's Note. —**

The 1967 amendment rewrote the section.

Pursuant to Session Laws 1969, c. 982, "director of social services" has been

substituted for "director of public welfare" in subsection (b).

Stated in *Gastonia Personnel Corp. v. Rogers*, 276 N.C. 279, 172 S.E.2d 19 (1970).

### § 51-3. Want of capacity; void and voidable marriages.

**Quoted** in *Swann v. Charlotte-Mecklenburg Bd. of Educ.*, 318 F. Supp. 786 (W.D.N.C. 1970).

## ARTICLE 2.

### *Marriage Licenses.*

**§ 51-6. Solemnization without license unlawful.** — No minister or officer shall perform a ceremony of marriage between any two persons, or shall declare them to be man and wife, until there is delivered to him a license for the marriage of the said persons, signed by the register of deeds of the county in which the marriage is intended to take place or by his lawful deputy. There must be at least two witnesses to the marriage ceremony.

Whenever a man and woman have been lawfully married in accordance with the laws of the state in which the marriage ceremony took place, and said marriage was performed by a justice of the peace or some other civil official duly authorized to perform such ceremony, and the parties thereafter wish to confirm their marriage vows before an ordained minister or minister authorized by his church, nothing herein shall be deemed to prohibit such confirmation ceremony; provided, however, that such confirmation ceremony shall not be deemed in law to be a marriage ceremony, such confirmation ceremony shall in no way affect the validity or invalidity of the prior marriage ceremony performed by a civil official, no license for such confirmation ceremony shall be issued by a register of deeds, and no record of such confirmation ceremony may be kept by a register of deeds. (1871-2, c. 193, s. 4; Code, s. 1813; Rev., s. 2086; C. S., s. 2498; 1957, c. 1261; 1959, c. 338; 1967, c. 957, ss. 6, 9.)



**Editor's Note.** — The 1967 amendment added the last sentence in the first paragraph and added the second paragraph.

**§ 51-7. Penalty for solemnizing without license.** — Every minister or officer who marries any couple without a license being first delivered to him, as required by law, or after the expiration of such license, or who fails to return such license to the register of deeds within ten days after any marriage celebrated by virtue thereof, with the certificate appended thereto duly filled up and signed, shall forfeit and pay two hundred dollars to any person who sues therefor, and he shall also be guilty of a misdemeanor. (R. C., c. 68, ss. 6, 13; 1871-2, c. 193, s. 8; Code, s. 1817; Rev., ss. 2087, 3372; C. S., s. 2499; 1953, c. 638, s. 1; 1967, c. 957, s. 5.)

**Editor's Note.** — The 1967 amendment substituted "ten" for "thirty" preceding "days" near the middle of the section.

**§ 51-8. License issued by register of deeds.** — Every register of deeds shall, upon proper application, issue a license for the marriage of any two persons if it appears that such persons are authorized to be married in accordance with the laws of this State. In making a determination as to whether or not the parties are authorized to be married under the laws of this State, the register of deeds may require the applicants for the license to marry to present certified copies of birth certificates or birth registration cards provided for in G.S. 130-73, or such other evidence as the register of deeds deems necessary to such determination. The register of deeds may administer an oath to any person presenting evidence relating to whether or not parties applying for a marriage license are eligible to be married pursuant to the laws of this State. (1871-2, c. 193, s. 5; Code, s. 1814; 1887, c. 331; Rev., s. 2088; C. S., s. 2500; 1957, c. 506, s. 1; 1967, c. 957, s. 2.)

**Editor's Note.** — The 1967 amendment rewrote the section.

**§ 51-8.1: Repealed by Session Laws 1967, c. 53.**

**§ 51-9. Health certificates required of applicants for licenses.** — No license to marry shall be issued by the register of deeds of any county to a male or female applicant therefor except upon the following conditions: The said applicant shall present to the register of deeds a certificate executed within 30 days from the date of presentation showing that, by the usual methods of examination made by a regularly licensed physician, no evidence of any venereal disease was found. Such certificate shall be accompanied by a report from a laboratory approved by the Commission for Health Services for making such test showing that a serologic test for syphilis currently approved by the United States Public Health Service was made, such test to have been made within 30 days of the time application for license is made. Before any laboratory shall make such tests or any serologic test required by this section, it shall apply to the Department of Human Resources for a certificate of approval; and such application shall be in writing and shall be accompanied by such reports and information as shall be required by the Department of Human Resources. The Department of Human Resources may, in its discretion, revoke or suspend any certificate of approval issued by it for the operation of such a laboratory; and after notice of such revocation or suspension, no such laboratory shall operate as an approved laboratory under this section.



Furthermore, such certificate shall state that, by the usual methods of examination made by a regularly licensed physician, no evidence of tuberculosis in the infectious or communicable stage was found.

And, furthermore, such certificate shall state that, by the usual methods of examination made by a regularly licensed physician, the applicant was found to be mentally competent. (1939, c. 314, s. 1; 1941, c. 218, s. 1; 1945, c. 577, s. 1; 1947, c. 929; 1955, c. 484; 1967, c. 137, s. 1; c. 957, s. 11; 1973, c. 476, s. 128.)

**Editor's Note. —**

The first 1967 amendment substituted "mentally competent" for "not subject to uncontrolled epileptic attacks, an idiot, an imbecile, a mental defective, or of unsound mind" in the last paragraph.

The second 1967 amendment rewrote the second sentence and substituted "serologic" for "serological" in the third sentence.

The 1973 amendment, effective July 1, 1973, substituted "Commission for Health Services" for "State Board of Health" in one place and "Department of Human Resources" for "North Carolina State Board of Health" in three places in the first paragraph.

**§ 51-10. Exceptions to § 51-9.**

(b) Exceptions to § 51-9, in case of persons who have active tuberculosis, are permissible only under the following conditions:

- (1) When the female applicant is pregnant and it is necessary to protect the legitimacy of the offspring, provided that such applicant (and the proposed marital partner if he has active tuberculosis) shows evidence of being under treatment for tuberculosis and both persons are known to the local or county health department and sign agreements to take adequate treatment until cured or protected.
- (2) When there is a living child of the parties and it is necessary to protect the legitimacy of said child and either or both of the parties have active tuberculosis, provided that such party or parties with active tuberculosis show evidence of being under treatment for tuberculosis and both parties are known to the local or county health department and sign agreements to take adequate treatment until cured or protected.
- (3) To validate any type of marriage which took place prior to the illness of either applicant but which marriage was later found to be invalid because of some technicality and said technicality is not a bar to marriage in North Carolina, provided the marital partner or partners who have active tuberculosis show evidence of being under treatment and sign an agreement to take adequate treatment until cured or protected, and both marital partners are known to the local or county health department. (1939, c. 314, s. 2; 1945, c. 577, s. 2; 1959, c. 351; 1967, c. 957, s. 12.)

**Editor's Note. —** The 1967 amendment substituted "marital" for "marriageable" in the parenthetical provision in subdivision (1) of subsection (b).

As subsection (a) was not affected by the amendment, it is not set out.

**§ 51-11. Who may execute certificate; form. —** Such certificate, upon the basis of which license to marry is granted, shall be executed by any physician licensed to practice medicine in the State of North Carolina, any other state or territory of the United States, the District of Columbia, or the Commonwealth of Puerto Rico, whose duty it shall be to examine such applicants and to issue such certificate in conformity with the requirements of G.S. 51-9 to 51-13. If



applicants are unable to pay for such examination, certificate without charge may be obtained from the local health director or county physician.

Such certificate form shall be designed by the Commission for Health Services and shall be obtained by the register of deeds from the Department of Human Resources upon request. (1939, c. 314, s. 3; 1957, c. 1357, s. 10; 1967, c. 957, s. 13; 1969, c. 759; 1973, c. 476, s. 128.)

**Editor's Note.** — The 1967 amendment deleted the former third paragraph providing for filing a copy of the certificate with the Department of Health.

The 1969 amendment, effective July 1, 1969, rewrote the first sentence.

The 1973 amendment, effective July 1, 1973, substituted "Commission for Health Services" and "Department of Human Resources" for "State Board of Health" in the second paragraph.

**§ 51-12. Eugenic sterilization for persons adjudged of unsound mind, etc.** — If either applicant has been adjudged by a court of competent jurisdiction as being an idiot, imbecile, mental defective, or of unsound mind, unless the applicant previously adjudged of unsound mind has been adjudged of sound mind by a court of competent jurisdiction, upon the recommendation of one or more practicing physicians who specialize in psychiatry, license to marry shall be granted only after eugenic sterilization has been performed on the applicant in accordance with State laws governing eugenic sterilization. (1939, c. 314, s. 3; 1943, c. 641; 1967, c. 137, s. 2.)

**Editor's Note.** —

The 1967 amendment deleted "subject to epileptic attacks" following "mental defective" near the beginning of the section.

**§ 51-14: Repealed by Session Laws 1967, c. 957, s. 3.**

**§ 51-15. Obtaining license by false representation misdemeanor.** — If any person shall obtain a marriage license by misrepresentation or false pretenses, he shall be guilty of a misdemeanor, and upon conviction shall be fined not exceeding fifty dollars, or imprisoned not exceeding thirty days, or both, at the discretion of the court. (1885, c. 346; Rev., s. 3371; C. S., s. 2501; 1967, c. 957, s. 4.)

**Editor's Note.** — The 1967 amendment struck out "for the marriage of persons under the age of eighteen years" following "license."

**§ 51-16. Form of license.** — License shall be in the following or some equivalent form:

To any ordained minister of any religious denomination, minister authorized by his church, or to any magistrate for . . . . .  
 . . . . County: A. B. having applied to me for a license for the marriage of C. D. (the name of the man to be written in full) of (here state his residence), aged . . . . . years (race, as the case may be), the son of (here state the father and mother, if known; state whether they are living or dead, and their residence, if known; if any of these facts are not known, so state), and E. F. (write the name of the woman in full) of (here state her residence), aged . . . . . years (race, as the case may be), the daughter of (here state names and residences of the parents, if known, as is required above with respect to the man). (If either of the parties is under 18 years of age, the license shall here contain the following:) And the written consent of G. H., father (or mother, etc., as the case may be)



to the proposed marriage having been filed with me, and there being no legal impediment to such marriage known to me, you are hereby authorized, at any time within 60 days from the date hereof, to celebrate the proposed marriage at any place within the said county. You are required, within 10 days after you shall have celebrated such marriage, to return this license to me at my office with your signature subscribed to the certificate under this license, and with the blanks therein filled according to the facts, under penalty of forfeiting two hundred dollars (\$200.00) to the use of any person who shall sue for the same.

Issued this ..... day of ....., 19 .....  
..... L. M.,  
Register of Deeds of ..... County

Every register of deeds shall designate in every marriage license issued the race of the persons proposing to marry by inserting in the blank after the word "race" the words "white," "colored," or "Indian," as the case may be. The certificate shall be filled up and signed by the minister or officer celebrating the marriage, and also be signed by two witnesses present at the marriage, who shall add to their names their place of residence, as follows:

I, N. O., an ordained or authorized minister of (here state to what religious denomination, or magistrate, as the case may be), united in matrimony (here name the parties), the parties licensed above, on the ..... day of .....  
....., 19 ....., at the house of P. R., in (here name the town, if any, the township and county), according to law.

..... N. O.  
Witness present at the marriage:

S. T., of (here give residence).  
(1871-2, c. 193, s. 6; Code, s. 1815; 1899, c. 541, ss. 1, 2; Rev., s. 2089; 1909, c. 704, s. 3; 1917, c. 38; C. S., s. 2502; 1953, c. 638, s. 2; 1967, c. 957, s. 7; 1971, c. 1072; c. 1185, s. 27.)

**Editor's Note.** — The 1967 amendment substituted "two" for "one or more" preceding "witnesses" in the second sentence of the paragraph following the form.

The first 1971 amendment substituted "10" for "thirty" in the last sentence of the form.

The second 1971 amendment, effective Oct. 1, 1971, substituted "magistrate" for "justice of

the peace" in the first sentence of the first paragraph of the form, and substituted "magistrate" for "justice of the peace" in the last paragraph of the form.

**Quoted** in Swann v. Charlotte-Mecklenburg Bd. of Educ., 318 F. Supp. 786 (W.D.N.C. 1970).

**§ 51-18. Record of licenses and returns; originals filed.** — Every register of deeds shall keep a book (which shall be furnished on demand by the board of county commissioners of his county) on the first page of which shall be written or printed:

Record of marriage licenses and of returns thereto, for the county of ....  
....., from the ..... day of ....., 19 .., to the ..... day  
of ....., 19 .., both inclusive.

In said book shall be entered alphabetically, according to the names of the proposed husbands, the substance of each marriage license and the return thereupon, as follows: The book shall be divided by lines with columns which shall be properly headed, and in the first of these, beginning on the left, shall be put the date of issue of the license; in the second, the name in full of the intended husband with his residence; in the third, his age; in the fourth, his race and color; in the fifth, the name in full of the intended wife, with her residence; in the sixth, her age; in the seventh, her race and color; in the eighth, the name and title of the minister or officer who celebrated the marriage; in the ninth, the day of the celebration; in the tenth, the place of the celebration; in the eleventh, the names of two witnesses who signed the return as present at the



celebration. The original license and return thereto shall be filed and preserved. (1871-2, c. 193, s. 9; Code, s. 1818; 1899, c. 541, s. 3; Rev., s. 2091; C. S., s. 2504; 1963, c. 429; 1967, c. 957, s. 8.)

**Editor's Note.** —

The 1967 amendment substituted "two" for "all or at least two of the" preceding "witnesses" near the end of the section.

§ 51-20: Repealed by Session Laws 1969, c. 80, s. 6, effective July 1, 1969.

**§ 51-21. Issuance of delayed marriage certificates.** — In all those cases where a minister or other person authorized by law to perform marriage ceremonies has failed to file his return thereof in the office of the register of deeds who issued the license for such marriage, the register of deeds of such county is authorized to issue a delayed marriage certificate upon being furnished with one or more of the following:

- (1) The affidavit of at least two witnesses to the marriage ceremony;
- (2) The affidavit of one or both parties to the marriage, accompanied by the affidavit of at least one witness to the marriage ceremony;
- (3) The affidavit of the minister or other person authorized by law who performed the marriage ceremony, accompanied by the affidavit of one or more witnesses to the ceremony or one of the parties thereto.
- (4) When proof as required by the three methods set forth in subdivisions (1), (2), and (3) above is not available with respect to any marriage alleged to have been performed prior to January 1, 1935, the register of deeds is authorized to accept the affidavit of any one of the persons named in subdivisions (1), (2), and (3) and in addition thereto such other proof in writing as he may deem sufficient to establish the marriage and any facts relating thereto; provided, however, that if the evidence offered under this paragraph is insufficient to convince the register of deeds that the marriage ceremony took place, or any of the pertinent facts relating thereto, the applicants may bring a special proceeding before the clerk of superior court of the county in which the purported marriage ceremony took place. The said clerk of the superior court is authorized to hear the evidence and make findings as to whether or not the purported ceremony took place and as to any pertinent facts relating thereto. If the clerk finds that the marriage did take place as alleged, he is to certify such findings to the register of deeds who is to then issue a delayed marriage certificate in accordance with the provisions of this section.

The certificate issued by the register of deeds under authority of this section shall contain the date of the delayed filing, the date the marriage ceremony was actually performed, and all such certificates issued pursuant to this section shall have the same evidentiary value as any other marriage certificates issued pursuant to law. (1951, c. 1224; 1955, c. 246; 1967, c. 957, s. 10; 1969, c. 80, s. 12.)

**Editor's Note.** — The 1967 amendment added the language following the semicolon in subdivision (4).

The 1969 amendment, effective July 1, 1969, eliminated the former last paragraph, providing for a fee of \$1.50 for each certificate.



## Chapter 52.

### Powers and Liabilities of Married Persons.

Sec.

52-5.1. Tort actions between husband and wife arising out of acts occurring outside State.

52-6. Contracts of wife with husband affecting corpus or income of estate; authority, duties and qualifications of

Sec.

certifying officer; certain conveyances by married women of their separate property.

52-8. Validation of contracts between husband and wife where wife is not privately examined.

### § 52-1. Property of married persons secured.

**Editor's Note. —**

For comment on the enforceability of marital contracts, see 47 N.C.L. Rev. 815 (1969).

**Quoted** in *Heller v. Heller*, 7 N.C. App. 120, 171 S.E.2d 335 (1969).

### § 52-2. Capacity to contract.

#### I. IN GENERAL.

**Editor's Note. —**

For comment on the enforceability of marital contracts, see 47 N.C.L. Rev. 815 (1969).

**Quoted** in *Heller v. Heller*, 7 N.C. App. 120, 171 S.E.2d 335 (1969).

**Cited** in *United States v. Yazell*, 382 U.S. 341, 86 Sup. Ct. 500, 15 L. Ed. 2d 404 (1966).

### § 52-4. Earnings and damages.

**Spouses May Sue Each Other. —**

In accord with 3rd paragraph in original. See *First Union Nat'l Bank v. Hackney*, 266 N.C. 17, 145 S.E.2d 352 (1965).

### § 52-5. Torts between husband and wife.

**Editor's Note. —**

For note on choice of law rules in North Carolina, see 48 N.C.L. Rev. 243 (1970).

**The legislature by statute, etc. —**

In accord with original. See *Ayers v. Ayers*, 269 N.C. 443, 152 S.E.2d 468 (1967).

**A wife may maintain an action against her husband for assault and battery.** *Ayers v. Ayers*, 269 N.C. 443, 152 S.E.2d 468 (1967).

**Or for Personal Injuries from His Negligence. —** In this jurisdiction a wife has the right to sue her husband and recover damages for personal injuries inflicted by his actionable negligence. *First Union Nat'l Bank v. Hackney*, 266 N.C. 17, 145 S.E.2d 352 (1965).

**And Wrongful Death Action, etc. —**

In accord with original. See *First Union Nat'l Bank v. Hackney*, 266 N.C. 17, 145 S.E.2d 352 (1965).

Since this section provides that an injured wife has a cause of action against her husband for damages for personal injury, under the provisions of § 28-173 the administrator of her estate may maintain an action for wrongful death when she does not survive. *Cummings v. Locklear*, 12 N.C. App. 572, 183 S.E.2d 832 (1971).

**§ 52-5.1. Tort actions between husband and wife arising out of acts occurring outside State. —** A husband and wife shall have a cause of action against each other to recover damages for personal injury, property damage or wrongful death arising out of acts occurring outside of North Carolina, and such action may be brought in this State when both were domiciled in North Carolina at the time of such acts. (1967, c. 855.)



**Editor's Note.** — For article on "Conflict of Spousal Immunity Laws: The Legislature Takes a Hand," discussing this section, see 46 N.C.L. Rev. 506 (1968). For note on "greatest interest

rule" as a choice-of-law conflicts rule, see 47 N.C.L. Rev. 407 (1969); For note on choice-of-law rules in North Carolina, see 48 N.C.L. Rev. 243 (1970).

**§ 52-6. Contracts of wife with husband affecting corpus or income of estate; authority, duties and qualifications of certifying officer; certain conveyances by married women of their separate property.**

(c) Such certifying officer must be a justice, judge, magistrate, clerk, assistant clerk or deputy clerk of the General Court of Justice or the equivalent or corresponding officers of the state, territory or foreign country where the acknowledgment and examination are made and such officer must not be a party to the contract.

(1969, c. 44, s. 54; 1973, c. 1446, s. 10.)

**Cross References.**

For repeal of all laws requiring privy examination of married women, see § 47-14.1.

**I. IN GENERAL.**

**Editor's Note.** —

The 1969 amendment rewrote subsection (c).

The 1973 amendment deleted "or judge of a court inferior to the superior court, or justice of the peace" following "General Court of Justice" and substituted "are made and such officer must not be a party to the contract" for "is made" in subsection (c).

As the rest of the section was not changed by the amendments, only subsection (c) is set out.

For article on "Doubt Reduction Through Conveyancing Reform — More Suggestions in the Quest for Clear Land Titles," see 46 N.C.L. Rev. 284 (1968). For article, "Toward Greater Marketability of Land Titles — Remedying the Defective Acknowledgment Syndrome," see 46 N.C.L. Rev. 56 (1967). For comment on the enforceability of marital contracts, see 47 N.C.L. Rev. 815 (1969).

*Davis v. Davis*, 269 N.C. 120, 152 S.E.2d 306 (1967), cited in the note below, was commented on in 45 N.C.L. Rev. 850 (1967).

**Common Law.** — All transactions of the wife with her husband in regard to her separate property were held void at common law. *Trammell v. Trammell*, 2 N.C. App. 166, 162 S.E.2d 605 (1968).

**Purpose.** —

In accord with 2nd paragraph in original. See *Kanoy v. Kanoy*, 17 N.C. App. 344, 194 S.E.2d 201 (1973).

**Strict Compliance.** — Since a married woman's power to convey is wholly statutory, all the requirements of enabling statutes must be strictly complied with to render her deed valid, and her deed will be held invalid where there is a failure to comply with statutory requirements as to execution or acknowledgment. Where, however, there has been a substantial compliance with statutory requirements, her

deed may be enforced, but there must be a substantial compliance with every requisite of the statute. *Trammell v. Trammell*, 2 N.C. App. 166, 162 S.E.2d 605 (1968); *Kanoy v. Kanoy*, 17 N.C. App. 344, 194 S.E.2d 201 (1973).

A wife cannot convey her real property to her husband, either directly or indirectly, without complying with the privy examination provisions of this section which requires the certifying officer who examines the wife to incorporate in his certificate a finding that the transaction is not unreasonable or injurious to her. *Combs v. Combs*, 273 N.C. 462, 160 S.E.2d 308 (1968).

**This section is an enabling statute.** *Trammell v. Trammell*, 2 N.C. App. 166, 162 S.E.2d 605 (1968); *Kanoy v. Kanoy*, 17 N.C. App. 344, 194 S.E.2d 201 (1973).

**The law requires the certifying officer to conduct an examination** and to determine the contract was duly executed, and to certify that it is not unreasonable or injurious. *Tripp v. Tripp*, 266 N.C. 378, 146 S.E.2d 507 (1966).

**"Such certifying officer" in subsection (c) refers directly to the certifying officer in subsection (b)** and relates only to the officer taking the wife's acknowledgment to the deed of separation or other instrument covered by the statute. *Kanoy v. Kanoy*, 17 N.C. App. 344, 194 S.E.2d 201 (1973).

**A contract may be set aside if induced by fraud.** *Van Every v. Van Every*, 265 N.C. 506, 144 S.E.2d 603 (1965).

**If Plaintiff Alleges Facts Supporting Inference It Was Induced by Fraudulent Misrepresentations.** — The plaintiff, however, must allege facts which, if found to be true, permit the legitimate inference that the defendant induced the plaintiff by fraudulent misrepresentations to enter into the contract which but for the misrepresentations she would not have done. *Van Every v. Van Every*, 265 N.C. 506, 144 S.E.2d 603 (1965).



**But Efforts to Set Aside Contract Made in Good Faith Are Not Favored.** — When the contract is made in good faith, is executed according to the requirements, and performed on one side, the Supreme Court does not look with favor on efforts to set it aside except upon valid legal grounds. *Tripp v. Tripp*, 266 N.C. 378, 146 S.E.2d 507 (1966).

**Separation Agreement Not Bar to Action for Alienation of Affections or Criminal Conversation.** — A valid separation agreement entered into between the spouses is not a bar to the cause of action for alienation of affections or criminal conversation accruing prior to the date of the separation agreement. *Sebastian v. Kluttz*, 6 N.C. App. 201, 170 S.E.2d 104 (1969).

**Applied in** *Mitchell v. Mitchell*, 270 N.C. 253, 154 S.E.2d 71 (1967); *Calhoun v. Calhoun*, 7 N.C. App. 509, 172 S.E.2d 894 (1970); *In re Brackett*, 15 N.C. App. 601, 190 S.E.2d 302 (1972); *Bailey v. Bailey*, 26 N.C. App. 444, 216 S.E.2d 394 (1975).

**Cited in** *Ayers v. Ayers*, 269 N.C. 443, 152 S.E.2d 468 (1967); *Terrell v. Terrell*, 271 N.C. 95, 155 S.E.2d 511 (1967); *Holcomb v. Holcomb*, 7 N.C. App. 329, 172 S.E.2d 212 (1970); *Hicks v. Hicks*, 13 N.C. App. 347, 185 S.E.2d 430 (1971).

## II. TRANSACTIONS INCLUDED.

**Postnuptial agreement** between the husband and wife which affects or changes any part of the wife's real estate must comply with the provisions of this section. *In re Estate of Loftin*, 285 N.C. 717, 208 S.E.2d 670 (1974).

### **Separation agreements, etc. —**

In accord with 2nd paragraph in original. See *Hinkle v. Hinkle*, 266 N.C. 189, 146 S.E.2d 73 (1966).

A separation agreement in which fair and reasonable provision is made for the wife will be upheld when executed by her in the manner provided by this section. *Van Every v. Van Every*, 265 N.C. 506, 144 S.E.2d 603 (1965).

Separation agreements between husbands and wives are not contrary to the public policy of this State provided they are not unreasonable or injurious to the wife, and therefore a separation agreement executed in accordance with the laws of the state of the residence of the parties will not be held invalid in this State because of the failure to observe North Carolina statutory requirements in the execution of such an agreement, but it may be attacked in this State if the wife alleges and establishes that the agreement, having due regard to the condition and circumstances of the parties at the time it was made, was unreasonable or injurious to the wife, the matter to be determined by the court as a question of fact, with the burden of proof upon the party attacking the validity of the agreement. *Davis v. Davis*, 269 N.C. 120, 152 S.E.2d 306 (1967).

The right of a married woman to support and maintenance is a property right which she may release by an agreement executed in accord with this section. *Sebastian v. Kluttz*, 6 N.C. App. 201, 170 S.E.2d 104 (1969).

Separation agreements must be executed in conformity with statutory requirements governing contracts between husband and wife. *Trammell v. Trammell*, 2 N.C. App. 166, 162 S.E.2d 605 (1968).

The ordinary rules governing the interpretation of contracts apply to separation agreements and the courts are without power to modify them. *Sebastian v. Kluttz*, 6 N.C. App. 201, 170 S.E.2d 104 (1969).

The intent of the parties as expressed in a separation agreement is controlling. *Sebastian v. Kluttz*, 6 N.C. App. 201, 170 S.E.2d 104 (1969).

**Effect of Incorporating Paragraph of Separation Agreement in Divorce Decree.** — See *Williford v. Williford*, 10 N.C. App. 451, 179 S.E.2d 114 (1971).

**Inter Vivos Conveyances of Real Property.** — Testamentary devises excepted, a married woman cannot convey her real property to her husband directly or by any form of indirection without complying with the provisions of this section. *Greer v. United States*, 448 F.2d 937 (4th Cir. 1971).

**Indirect Conveyance Included.** — This section is applicable when a conveyance to a third person and reconveyance to the husband is solely for the purpose of accomplishing an indirect conveyance of the wife's property to her husband. *Greer v. United States*, 448 F.2d 937 (4th Cir. 1971).

**Contract Providing for Testamentary Disposition of Property.** — Where husband and wife, pursuant to a contract, executed a joint will providing for the testamentary disposition of their properties, and the wife thereafter dies without revoking her will, the husband may not make a testamentary disposition of any property contrary to the contract, or revoke the joint will as his will, or make an inter vivos conveyance or transfer of any property which will prevent a court of equity from subjecting the property, so transferred in breach of the contract, to the rights of the beneficiaries thereof prior to the acquisition of such property by a bona fide purchaser for value. *Olive v. Biggs*, 276 N.C. 445, 173 S.E.2d 301 (1970).

A contract between husband and wife prescribing the testamentary disposition of their properties is not binding upon the wife unless the procedure prescribed by this section is followed. During the life of the wife, such a contract, not acknowledged as prescribed by this statute, is not binding upon the husband since, as to him, there is a failure of consideration. When, however, the wife dies, leaving the will for which her husband bargained with her, the



contract is thereafter binding upon him. *Olive v. Biggs*, 276 N.C. 445, 173 S.E.2d 301 (1970).

A contract by which one binds himself to make a specified testamentary disposition of his real property is a contract affecting that property. Consequently, a contract between husband and wife prescribing the testamentary disposition of their properties is not binding upon the wife unless the procedure prescribed by this section is followed. *Mansour v. Rabil*, 277 N.C. 364, 177 S.E.2d 849 (1970).

A contract between a husband and wife to make a joint will was void as to the wife because it was not executed by her in accordance with this section, and its invalidity was not affected by the curative statutes, § 52-8 and § 39-13.1(b), where both curative statutes were enacted after the rights of the parties under the contract vested upon the death of the husband, and the contract was not "in all other respects regular" except for the failure to privately examine the wife as required by the curative statutes. *Mansour v. Rabil*, 277 N.C. 364, 177 S.E.2d 849 (1970).

The mutual promises of husband and wife may be a consideration to support their agreement to execute jointly a will containing reciprocal provisions. *Mansour v. Rabil*, 277 N.C. 364, 177 S.E.2d 849 (1970).

A sufficient consideration for a contract between husband and wife to make wills containing reciprocal provisions and providing for the disposition to be made of their property on the death of the survivor may exist in the promises of the spouses to one another to execute such a will provided it appears that the consideration was mutual in the respect that each spouse promised in reliance upon the promise of the other. *Mansour v. Rabil*, 277 N.C. 364, 177 S.E.2d 849 (1970).

**This section is not applicable to antenuptial agreements.** In re Estate of Loftin, 285 N.C. 717, 208 S.E.2d 670 (1974).

Antenuptial agreements are not made between a husband and a wife "during their coverture." In re Estate of Loftin, 285 N.C. 717, 208 S.E.2d 670 (1974).

**It is limited in its application** to contracts between the husband and wife which affect the real estate of the wife and separation agreements. In re Estate of Loftin, 285 N.C. 717, 208 S.E.2d 670 (1974).

### III. THE CERTIFICATE.

**There is a vast difference between proof of no appearance and the denial of material findings in the certificate.** As to the latter, when the certificate is regular in form and complies with this section, it is conclusive as to all matters which the statute requires the officer to certify except upon a showing of fraud or imposition in the procurement of the

acknowledgment. In re Estate of Loftin, 285 N.C. 717, 208 S.E.2d 670 (1974).

**Certificate Conclusively Presumed to Be True.** —

Unless the certificate is attacked upon one of the four grounds, when petitioner admitted her appearance before the clerk of superior court, his certificate, regular in form, became conclusive and established that she acknowledged the due execution of the instrument and the purposes therein expressed; that she was privately examined separate and apart from her husband touching her voluntary execution of the same; that she signed the same freely and voluntarily without fear or compulsion of her said husband; and that it had been made to appear to the certifying officer's satisfaction, and he found as a fact, that the execution of the instrument by petitioner was not unreasonable or injurious to her. In re Estate of Loftin, 285 N.C. 717, 208 S.E.2d 670 (1974).

**The certificate is conclusive except for fraud.** Tripp v. Tripp, 266 N.C. 378, 146 S.E.2d 507 (1966); In re Estate of Loftin, 21 N.C. App. 627, 205 S.E.2d 574 (1974).

**A married woman may attack a certificate of acknowledgment and a privy exam** upon grounds of mental incapacity, infancy or fraud. In re Estate of Loftin, 21 N.C. App. 627, 205 S.E.2d 574 (1974).

A married woman or widow may directly attack the certificate of her acknowledgment and privy examination respecting the execution of instruments during coverture which affect or change any part of the real estate belonging to her. The general grounds for permissible attack in this instance are: (1) fraud, duress or undue influence known of or participated in by the grantee; (2) no appearance before the officer or no examination had; (3) forgery; or (4) mental incapacity or infancy. In re Estate of Loftin, 285 N.C. 717, 208 S.E.2d 670 (1974).

**A notary public is not one of the officials authorized by this section to make the required certificate.** Boone v. Brown, 11 N.C. App. 355, 181 S.E.2d 157 (1971).

**Allegations Insufficient to Allege Undue Influence or Duress.** — See In re Estate of Loftin, 285 N.C. 717, 208 S.E.2d 670 (1974).

**Allegation Held Insufficient to Impeach Certificate.** — The allegation, "The plaintiff was advised that a paper purporting to be a property settlement did not constitute a permanent settlement because the defendant would return, resume a marriage relations, and the money received would be tantamount to a gift," is an insufficient allegation on which to impeach the clerk's certificate required by this section. Van Every v. Van Every, 265 N.C. 506, 144 S.E.2d 603 (1965).

**Where plaintiff wife acknowledged execution of a deed of separation before a justice of the peace who certified that he**



privately examined plaintiff and found that the transaction was not unreasonable or injurious to her, the requirements of this section were met and the deed of separation was valid despite the fact that defendant husband did not acknowledge the deed before a proper certifying officer. *Kanoy v. Kanoy*, 17 N.C. App. 344, 194 S.E.2d 201 (1973).

#### IV. EFFECT OF NONCOMPLIANCE.

##### A separation agreement, etc. —

A separation agreement would void ab initio if not in compliance with this section. *Rupert v. Rupert*, 15 N.C. App. 730, 190 S.E.2d 693 (1972).

Under the statute then codified as § 52-12 and the decisions of the Supreme Court, a separation agreement entered into in September, 1962, was void ab initio unless it complied with these statutory requirements: That "such contract (be) in writing, and . . . duly proven as is required for the conveyances of land; and (that) such examining or certifying officer shall incorporate in his certificate a statement of his conclusions and findings of fact as to whether or not said contract is unreasonable or injurious" to the wife. *Davis v. Davis*, 269 N.C. 120, 152 S.E.2d 306 (1967).

##### Noncompliance Renders Deed Void. —

A deed by which a wife undertakes to convey an interest in her real estate to her husband during their coverture is a contract between them to which the provisions of this section apply, and the Supreme Court has uniformly held that unless the requirements of this statute are complied with, such a deed is void. *Boone v. Brown*, 11 N.C. App. 355, 181 S.E.2d 157 (1971).

But for this section the deed of a wife conveying land to her husband would be void.

Such deed is valid only when this section has been strictly complied with. *Trammell v. Trammell*, 2 N.C. App. 166, 162 S.E.2d 605 (1968).

The deed of a wife conveying land to her husband is void unless the probating officer in his certificate of probate certifies that, at the time of its execution and her privy examination, the deed is not unreasonable or injurious to her. *Trammell v. Trammell*, 2 N.C. App. 166, 162 S.E.2d 605 (1968).

##### Contract Void ab Initio. —

In accord with original. See *Trammell v. Trammell*, 2 N.C. App. 166, 162 S.E.2d 605 (1968).

**The husband does not have to comply with the requirements of this section to validate a transaction.** A husband can by conveying land directly to himself and his wife create an estate by the entirety. *Kanoy v. Kanoy*, 17 N.C. App. 344, 194 S.E.2d 201 (1973).

**Evidence with respect to the terms of a mutual agreement of separation was properly excluded** in an action for absolute divorce where there was nothing to indicate that those terms had been reduced to writing and the wife's privy examination taken as required by the provisions of this section. *Rupert v. Rupert*, 15 N.C. App. 730, 190 S.E.2d 693 (1972).

**The burden is on the party asserting the invalidity of a deed reconveying to the husband land previously owned by the wife and jointly conveyed to the third party to prove that it is not in fact what it purports to be.** *Moseley v. Branch Banking & Trust Co.*, 19 N.C. App. 137, 198 S.E.2d 36 (1973).

**§ 52-8. Validation of contracts between husband and wife where wife is not privately examined.** — Any contract between husband and wife coming within the provisions of G.S. 52-6 executed between January 1, 1930, and December 31, 1974, which does not comply with the requirement of a private examination of the wife and which is in all other respects regular is hereby validated and confirmed to the same extent as if the examination of the wife had been separate and apart from the husband. This section shall not affect pending litigation. (1957, c. 1178; 1959, c. 1306; 1965, c. 207; c. 878, s. 1; 1967, c. 1183, s. 1; 1971, c. 101; 1973, c. 1387, s. 1; 1975, c. 495, s. 1.)

##### Editor's Note. —

The 1967 amendment substituted "January 1, 1930" for "October 1, 1954" near the beginning of the section. Section 2½ of the amendatory act provides that it shall not apply to pending litigation. The act was ratified July 6, 1967, and became effective upon ratification.

The 1971 amendment substituted "1969" for "1963" in the first sentence. The amendatory act provides that it shall not affect pending litigation.

The 1973 amendment substituted "December

31, 1972" for "June 20, 1969" near the beginning of the first sentence.

The 1975 amendment substituted "1974" for "1972" in the first sentence.

Section 2 of the 1973 amendatory act provides that this act shall not affect litigation pending on the effective date hereof, nor be construed to validate any contract which is the subject of litigation pending on the effective date hereof. The act was ratified April 24, 1974, and became effective upon ratification.



Section 2 of the 1975 amendatory act provides that the act shall not affect litigation pending on its effective date nor be construed to validate any contract which is the subject of litigation pending on its effective date. The act was ratified June 9, 1975, and became effective on ratification.

**Applicability of Section.** — This section is not applicable where not only was the private examination of the wife not taken, but there was no finding by the certifying officer of the officer's conclusions and findings of fact as to whether or not the deed was unreasonable or injurious to the wife as required by § 52-6(b) and the certifying officer was not one of those authorized by § 52-6(c) to make the required

certificate. *Boone v. Brown*, 11 N.C. App. 355, 181 S.E.2d 157 (1971): -

**A contract between a husband and wife to make a joint will was void as to the wife** because it was not executed by her in accordance with § 52-6, and its invalidity was not affected by this curative statute and § 39-13.1(b) where both curative statutes were enacted after the rights of the parties under the contract vested upon the death of the husband, and the contract was not "in all other respects regular" except for the failure to privately examine the wife as required by the curative statutes. *Mansour v. Rabil*, 277 N.C. 364, 177 S.E.2d 849 (1970).

## § 52-10. Contracts between husband and wife generally; releases.

### Editor's Note. —

For comment on the enforceability of marital contracts, see 47 N.C.L. Rev. 815 (1969).

**Section Inapplicable to Right of Wife, etc.** — In accord with original. See *Eubanks v. Eubanks*, 273 N.C. 189, 159 S.E.2d 562 (1968).

### Antenuptial Agreement. —

An antenuptial contract is effective as a bar to the right of the wife to recover a year's support. In *re Estate of Loftin*, 21 N.C. App. 627, 205 S.E.2d 574 (1974).

**When Antenuptial Contract Valid.** — An antenuptial contract executed between parties mutually releasing the prospective interest of each in the property of the other is valid when acknowledged before the clerk of superior court who incorporates in his certificate a finding that the agreement is not unreasonable or injurious to the wife. In *re Estate of Loftin*, 21 N.C. App. 627, 205 S.E.2d 574 (1974).

**To be valid a separation agreement must be untainted by fraud,** must be in all respects fair, reasonable and just, and must have been entered into without coercion or the exercise of undue

influence, and with full knowledge of all the circumstances, conditions, and rights of the contracting parties. *Eubanks v. Eubanks*, 273 N.C. 189, 159 S.E.2d 562 (1968).

**Attack on Deed of Separation.** — A married woman may attack the certificate of her acknowledgment and privy examination respecting her execution of a deed of separation, *inter alia*, upon the grounds of her mental incapacity, infancy, or the fraud of the grantee. *Eubanks v. Eubanks*, 273 N.C. 189, 159 S.E.2d 562 (1968); In *re Estate of Loftin*, 21 N.C. App. 627, 205 S.E.2d 574, *aff'd*, 285 N.C. 717, 208 S.E.2d 670 (1974).

**Until deed of separation is rescinded, defendant cannot attack the legality of separation** or obtain alimony from plaintiff. *Eubanks v. Eubanks*, 273 N.C. 189, 159 S.E.2d 562 (1968).

**Stated in** *In re Estate of Loftin*, 285 N.C. 717, 208 S.E.2d 670 (1974).

**Cited in** *Heller v. Heller*, 7 N.C. App. 120, 171 S.E.2d 335 (1969).

## § 52-10.1. Separation agreements; execution by minors.

### Editor's Note. —

For comment on the enforceability of marital contracts, see 47 N.C.L. Rev. 815 (1969).

**To be valid a separation agreement must be untainted by fraud,** must be in all respects fair, reasonable and just, and must have been entered into without coercion or the exercise of undue influence, and with full knowledge of all the circumstances, conditions, and rights of the contracting parties. *Eubanks v. Eubanks*, 273 N.C. 189, 159 S.E.2d 562 (1968).

**Attack on Deed of Separation.** — A married woman may attack the certificate of her

acknowledgment and privy examination respecting her execution of a deed of separation, *inter alia*, upon the grounds of her mental incapacity, infancy, or the fraud of the grantee. *Eubanks v. Eubanks*, 273 N.C. 189, 159 S.E.2d 562 (1968).

**Until deed of separation is rescinded, defendant cannot attack the legality of the separation** or obtain alimony from plaintiff. *Eubanks v. Eubanks*, 273 N.C. 189, 159 S.E.2d 562 (1968).



# § 52-11. Antenuptial contracts and torts.

## Editor's Note. —

For case law survey on tort law, see 43 N.C.L. Rev. 906 (1965). For comment on the

enforceability of marital contracts, see 47 N.C.L. Rev. 815 (1969).



## Chapter 52A.

## Uniform Reciprocal Enforcement of Support Act.

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**§ 52A-1. Short title.** — This Chapter may be cited as the “Uniform Reciprocal Enforcement of Support Act.” (1951, c. 317; 1975, c. 656, s. 1.)

**Editor’s Note.** —

The 1975 amendment, effective Oct. 1, 1975, reenacted this section without change.

Session Laws 1975, c. 656, s. 2, provides: “This act shall not apply to pending litigation including proceedings which have been initiated in a state other than North Carolina.”

For note on survival of support and the Uniform Reciprocal Enforcement of Support Act, see 48 N.C.L. Rev. 100 (1969).

For comment on access of indigents into the civil courtroom, see 49 N.C.L. Rev. 683 (1971).

**§ 52A-2. Purposes.** — The purposes of this Chapter are to improve and extend by reciprocal legislation the enforcement of duties of support and to make uniform the law with respect thereto. (1951, c. 317; 1975, c. 656, s. 1.)

**Editor’s Note.** — The 1975 amendment, effective Oct. 1, 1975, reenacted the section without change.

Session Laws 1975, c. 656, s. 2, provides: “This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina.”

**§ 52A-3. Definitions.** — As used in this Chapter unless the context requires otherwise:

- (1) “Court” means any court of record in this State having jurisdiction to determine liability of persons for the support of dependents in any criminal proceeding, and when the context requires, means the court of any other state as defined in substantially similar reciprocal law.



- (2) "Duty of support" means a duty of support whether imposed or imposable by law or by order, decree, or judgment of any court whether interlocutory or final or whether incidental to an action for divorce, separation, separate maintenance, or otherwise and includes the duty to pay arrearages of support past due and unpaid.
- (3) "Governor" includes any person performing the functions of Governor or the executive authority of any state covered by this Chapter.
- (4) "Initiating state" means a state in which a proceeding pursuant to this or a substantially similar reciprocal law is commenced. "Initiating court" means the court in which a proceeding is commenced.
- (5) "Law" includes both common and statute law.
- (6) "Obligee" means a person including a state or political subdivision to whom a duty of support is owed or a person including a state or political subdivision that has commenced a proceeding for enforcement of an alleged duty of support or for registration of a support order. It is immaterial if the person to whom a duty of support is owed is a recipient of public assistance.
- (7) "Obligor" means any person owing a duty of support or against whom a proceeding for the enforcement of a duty of support or registration of a support order is commenced.
- (8) "Prosecuting attorney" means the district attorney in the appropriate place who has the duty to enforce criminal laws relating to the failure to provide for the support of any person.
- (9) "Register" means to record and file in the Registry of Foreign Support Orders.
- (10) "Registering court" means any court of this State in which a support order of a rendering state is registered.
- (11) "Rendering state" means a state in which the court has issued a support order for which registration is sought or granted in the court of another state.
- (12) "Responding state" means a state in which any responsive proceeding pursuant to the proceeding in the initiating state is commenced. "Responding court" means the court in which the responsive proceeding is commenced.
- (13) "State" includes a state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the provinces of Canada in which reciprocity can be effected by administrative action, and any foreign jurisdiction in which this or a substantially similar reciprocal law is in effect.
- (14) "Support order" means any judgment, decree, or order of support in favor of an obligee whether temporary or final, or subject to modification, revocation, or remission, regardless of the kind of action or proceeding in which it is entered. (1951, c. 317; 1955, c. 699, s. 1; c. 1035, s. 1; 1959, c. 1123, s. 1; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, so changed this section as to make a detailed comparison impracticable. Among other things, however, the amendment redesignated former subdivision (3) as subdivision (4), former subdivisions (5) and (6) as subdivisions (6) and (7), and former subdivisions

(7) and (8) as subdivisions (12) and (13), inserted present subdivisions (3) and (8) through (11), and added subdivision (14).

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including proceedings which have been initiated in a state other than North Carolina."



**§ 52A-4. Remedies additional to those now existing.** — The remedies herein provided are in addition to and not in substitution for any other remedies. (1951, c. 317; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, reenacted this section without change.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-5. Obligor present in State is bound.** — Duties of support arising under the law of this State when applicable under G.S. 52A-8, bind the obligor, present in this State, regardless of the presence or residence of the obligee. (1951, c. 317; 1955, c. 699, s. 2; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, reenacted this section without change.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-6. Interstate rendition.** — The Governor of this State:

- (1) May demand from the governor of any other state the surrender of any person found in such other state who is charged in this State with the crime of failing to provide for the support of any person in this State and
- (2) May surrender on demand by the governor of any other state any person found in this State who is charged in such other state with the crime of failing to provide for the support of a person in such other state.

The provisions of extradition of criminals not inconsistent herewith shall apply to any such demand although the person whose surrender is demanded was not in the demanding state at the time of the commission of the crime and although he had not fled therefrom. Neither the demand, the oath nor any proceedings for extradition pursuant to this section need state or show that the person whose surrender is demanded has fled from justice, or at the time of the commission of the crime was in the demanding or the other state. (1951, c. 317; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, inserted a colon following the introductory language of the first paragraph and substituted "of" for "for" near the beginning of the first sentence of the second paragraph.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including proceedings which have been initiated in a state other than North Carolina."

Cited in Childers v. Childers, 19 N.C. App. 220, 198 S.E.2d 485 (1973).

**§ 52A-7. Conditions of interstate rendition.** — (a) Before making the demand upon the governor of another state for the surrender of a person charged criminally in this State with failing to provide for the support of a person, the Governor of this State may request any prosecuting attorney of this State to satisfy him that at least 60 days prior thereto the obligee initiated proceedings for support under this Chapter or that any proceeding would be of no avail.

(b) If, under a substantially similar act, the governor of another state makes a demand upon the Governor of this State for the surrender of a person charged criminally in that state with failure to provide for the support of a person, the Governor may request any prosecuting attorney to investigate the demand and



to report to him whether proceedings for support have been initiated or would be effective. If it appears to the Governor that a proceeding would be effective but has not been initiated he may delay honoring the demand for a reasonable time to permit the initiating of a proceeding.

(c) If proceedings have been initiated and the person demanded has prevailed therein, the Governor may decline to honor the demand. If the obligee prevailed and the person demanded is subject to a support order, the Governor may decline to honor the demand if the person demanded is complying with the support order. (1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, rewrote the section.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-8. What duties are applicable.** — Duties of support applicable under this Chapter are those imposed or imposable under the laws of any state where the obligor was present during the period or any part of the period for which support is sought. The obligor is presumed to have been present in the responding state during the period for which support is sought until otherwise shown. (1951, c. 317; 1955, c. 699, s. 4; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, reenacted this section without change.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including proceedings which have been initiated in a state other than North Carolina."

**Parents' duty of support ceases when the child becomes of age** — now 18 years old. Shaw v. Shaw, 25 N.C. App. 53, 212 S.E.2d 222 (1975).

**Stated** in Childers v. Childers, 19 N.C. App. 220, 198 S.E.2d 485 (1973).

**§ 52A-8.1. Remedies of a county furnishing support.** — Whenever a county of this State furnishes support to an obligee, it has the same right to invoke the provisions hereof as the obligee to whom the support was furnished for the purpose of securing reimbursement for such support and of obtaining continuing support and the term "obligee" as used in this section shall apply to children owing the duty of support to their parents. (1959, c. 1123, s. 4; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, substituted "and" for "with the exception that" following "continuing support" and deleted "not" preceding "apply to children."

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including proceedings which have been initiated in a state other than North Carolina."

**§ 52A-8.2. Paternity.** — If the obligor asserts as a defense that he is not the father of the child for whom support is sought and it appears to the court that the defense is not frivolous, and if both of the parties are present at the hearing or the proof required in the case indicates that the presence of either or both of the parties is not necessary, the court may adjudicate the paternity issue. Otherwise the court may adjourn the hearing until the paternity issue has been adjudicated. Nothing in this section shall be construed to deprive, amend or alter the right of the obligor defendant upon motion, to have ordered a blood-grouping test as provided by G.S. 8-50.1. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including



proceedings which have been initiated in a state other than North Carolina."

**§ 52A-9. How duties of support are enforced.** — All duties of support including the duty to pay arrearages are enforceable by action irrespective of relationship between the obligor and obligee. Jurisdiction of all proceedings hereunder shall be vested in any court of record in this State having jurisdiction to determine liability of persons for the support of dependents in any criminal proceeding. (1951, c. 317; 1955, c. 699, s. 5; c. 1035, s. 2½; 1959, c. 1123, s. 2; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, inserted "including the duty to pay arrearages" in the first sentence.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including proceedings which have been initiated in a state other than North Carolina."

**Jurisdiction of District Court.** — The district court had exclusive original jurisdiction to entertain a proceeding pursuant to the Uniform Reciprocal Enforcement of Support Act. *Cline v. Cline*, 6 N.C. App. 523, 170 S.E.2d 645 (1969).

**§ 52A-9.1. Jurisdiction by arrest.** — If the court of this State believes that the obligor may flee it may:

- (1) As an initiating court, request in its certificate that the responding court obtain the body of the obligor by appropriate process; or
- (2) As a responding court, obtain the body of the obligor by appropriate process. Thereupon it may release him upon his own recognizance or upon his giving a bond in amount set by the court to assure his appearance at the hearing. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-10. Contents of complaint for support.** — Actions hereunder shall be commenced by the issuance of summons in the form required for actions for alimony without divorce by the court having jurisdiction. The complaint shall be verified and shall state the name and, so far as known to the plaintiff, the address and circumstances of the defendant and his dependents for whom support is sought and all other pertinent information. The plaintiff may include in or attach to the complaint any information which may help in locating or identifying the defendant including, but without limitation by enumeration, a photograph of the defendant, a description of any distinguishing marks of his person, other names and aliases by which he has been or is known, the name of his employer, his fingerprints, and his social security number. (1951, c. 317; 1955, c. 699, s. 6; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, substituted "and his" for "or" near the end of the third sentence.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."



**§ 52A-10.1. Official to represent plaintiff; responding.** — It shall be the duty of the official who prosecutes criminal actions for the State in the court acquiring jurisdiction to appear on behalf of the obligee in proceedings under this Chapter. In the event of an appeal from a support order entered under this Chapter, the Attorney General shall represent the obligee. (1955, c. 699, s. 6; 1959, c. 1123, s. 3; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, substituted "obligee" for "plaintiff" in the first sentence and added the second sentence.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including proceedings which have been initiated in a state other than North Carolina."

**§ 52A-10.2. Complaint by minor.** — A complaint on behalf of a minor obligee may be filed by a person having legal or physical custody of the minor without appointment as guardian ad litem. In addition, notwithstanding any other provisions of the law, when a court of this State, acting as a responding state, receives from the court of an initiating state a complaint on behalf of a minor obligee brought by a person having legal custody of the minor, the court may proceed to a hearing of the cause without the appointment of a guardian ad litem. (1955, c. 699, s. 6; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, substituted "filed" for "brought" and "guardian ad litem" for "next friend" in the first sentence, inserted "or physical" in that sentence, and added the second sentence.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including proceedings which have been initiated in a state other than North Carolina."

**Opinions of Attorney General.** — Mr. W.H.S. Burgwyn, Jr., Solicitor, 40 N.C.A.G. 718 (1969).

**§ 52A-10.3. Official to represent plaintiff; initiating.** — If this State is acting as an initiating state the prosecuting attorney upon the request of the court (in the case of a person or member of a family receiving public assistance, at the request to the court by the county director of social services) shall represent the plaintiff in any proceeding under this Chapter. The county director of social services in making such a request will provide written verification of the indigency of the person and the fact that the person or the family is receiving public assistance. In counties where the services of a special county attorney are available for social services matters as set out in G.S. 108-20 through 108-22, such special county attorney, instead of the prosecuting attorney, shall represent the obligee, the county or the plaintiff in any proceeding under this Chapter when the county has a right to invoke the provisions of this Chapter under G.S. 52A-8.1. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-11. Duty of initiating court.** — If the initiating court finds that the defendant is not to be found in this State, that the complaint sets forth facts from which it may be determined that the defendant owes a duty of support, and that a court of the responding state may obtain jurisdiction of the defendant or his property, it shall so certify and shall cause three copies of (i) the complaint, (ii) its certificate, (iii) any other document filed with the court, and (iv) one copy of this Chapter to be transmitted to the court or other designated agency in the responding state.



If the name and address of such court is unknown and the responding state has an information agency, the court of this State shall cause such copies to be transmitted to the State information agency or other proper official of the responding state, with a request that it forward them to the proper court, and that the court of the responding state acknowledge their receipt to the court of this State. Unless the chief district court judge shall otherwise direct, the authority and duties of this section shall be the responsibility of the clerk of superior court. (1951, c. 317; 1955, c. 699, s. 7; c. 1035, s. 2; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, in the first paragraph, substituted "initiating court" for "court of this State acting as initiating state and from the return on the summons and the verified complaint the clerk of the court," inserted present clause (iii), redesignated former clause

(iii) as clause (iv), and inserted "one copy of" in that clause. The amendment also added the second sentence in the second paragraph.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including proceedings which have been initiated in a state other than North Carolina."

**§ 52A-11.1. Fees and costs.** — A responding court of this State may in its discretion direct that any part of all fees and costs incurred in this State, including without limitation by enumeration, fees for filing, service of process, and seizure of property, shall be paid by the county, but when an order of support is entered against a defendant, he shall be taxed with the costs. These costs or fees do not have priority over amounts due to the obligee. In addition, any and all appellate costs taxed to the plaintiff or the State shall be waived when the plaintiff has been certified as an indigent by the initiating court.

The clerk of the initiating court may upon written verification by the county director of social services of the indigency of the plaintiff, waive all fees and costs incurred in filing a complaint hereunder or may waive such fees and costs solely upon a finding of indigency by the court. (1955, c. 699, s. 7; c. 1035, s. 2; 1961, c. 186; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, inserted "responding" in the first sentence of the first paragraph, deleted "acting as a responding state" following "court of this State" in that sentence, redesignated the former second sentence as the present second paragraph, and added the present second and third sentences of the first paragraph. The amendment also, in the second paragraph, substituted "the initiating court may upon written verification" for "court, when this State

is the initiating state, may upon a certification," "social services" for "public welfare," and "complaint" for "petition," and added "or may waive such fees and costs solely upon a finding of indigency by the court" at the end.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including proceedings which have been initiated in a state other than North Carolina."

For comment on access of indigents into the civil courtroom, see 49 N.C.L. Rev. 683 (1971).

**§ 52A-12. Duty of the court of this State as responding state.** — When the court of this State, acting as a responding state, receives from the court of an initiating state the aforesaid copies, it shall

- (1) Docket the cause,
- (2) Notify the prosecuting attorney as described in G.S. 52A-10.1,
- (3) Set a time and a place for a hearing, and
- (4) Take such action as is necessary in accordance with the laws of this State to obtain jurisdiction.

The procedure for serving notice and summons on the defendant under this Chapter shall be the same as in actions for alimony as provided by G.S. 50-16.8. (1951, c. 317; 1955, c. 699, s. 8; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, substituted "prosecuting

attorney" for "prosecutor of criminal actions for the state in said court" in subdivision (2) and



substituted "as provided by G.S. 50-16.8" for "without divorce as provided by G.S. 50-16" at the end of the second paragraph.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including proceedings which have been initiated in a state other than North Carolina."

**A proceeding under this Chapter is a civil proceeding** as in actions for alimony without divorce. *Cline v. Cline*, 6 N.C. App. 523, 170 S.E.2d 645 (1969); *Childers v. Childers*, 19 N.C. App. 220, 198 S.E.2d 485 (1973).

**Chapter Creates No Statutory Offense.** — While a trial court of a "responding state" may punish a respondent for noncompliance with its orders, and while certain provisions of this Chapter provide for the interstate rendition of persons charged in other states with the crime of nonsupport, no statutory offense is created by this Chapter and it was error for the trial court to treat it as such given the civil nature of the proceeding. *Childers v. Childers*, 19 N.C. App. 220, 198 S.E.2d 485 (1973).

### § 52A-12.1. Further duties of court and officials in the responding state.

— (a) The prosecuting attorney on his own initiative shall use all means at his disposal to locate the obligor or his property, and if because of inaccuracies in the complaint or otherwise, the court cannot obtain jurisdiction, the prosecuting attorney may request the court to continue the case pending receipt of more accurate information or an amended complaint from the initiating court.

(b) If the obligor or his property is not found in the county and the prosecuting attorney discovers that the obligor or his property may be found in another county of this State or in another state, he shall so inform the court. Thereupon the clerk of the court shall forward the documents received from the court in the initiating state to a court in the other county or to a court in the other state or to the information agency or other proper official of the other state with a request that the documents be forwarded to the proper court. All powers and duties provided by this Chapter apply to the recipient of the documents so forwarded. If the clerk of a court of this State forwards documents to another court, he shall forthwith notify the initiating court.

(c) If the prosecuting attorney has no information as to the location of the obligor or his property, he shall so inform the initiating court. (1955, c. 699, s. 8; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, rewrote this section.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-12.2. Hearing and continuance.** — If the obligee is not present at the hearing and the obligor denies owing the duty of support alleged in the complaint or offers evidence constituting a defense, the court, upon request of either party, shall continue the hearing to permit evidence relative to the duty to be adduced by either party by deposition or by appearing in person before the court. The court may designate the judge of the initiating court as a person before whom a deposition may be taken. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-13. Order of support.** — If the court of the responding state finds a duty of support, it may order the defendant to furnish support or reimbursement therefor and subject the property of the defendant to such order. (1951, c. 317; 1975, c. 656, s. 1.)



**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, reenacted this section without change.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-14. Responding court to transmit copies to initiating court.** — The responding court shall cause a copy of all support orders to be sent to the initiating court. (1951, c. 317; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, rewrote this section.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-15. Additional powers of court.** — In addition to the foregoing powers, the responding court has the power to subject the defendant to such terms and conditions as the court may deem proper to assure compliance with its orders and in particular:

- (1) To require the defendant to furnish recognizance in the form of a cash deposit or bond of such character and in such amount as the court may deem proper to assure payment of any amount required to be paid by the defendant.
- (2) To require the defendant to make payments at specified intervals to the clerk of the court and to report personally to such clerk at such times as may be deemed necessary.
- (3) To punish the defendant who shall violate any order of the court to the same extent as is provided by law for contempt of the court in any other suit or proceeding cognizable by the court. (1951, c. 317; 1955, c. 699, s. 9; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, substituted "responding court" for "court of this State when acting as the responding state" in the introductory paragraph.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including proceedings which have been initiated in a state other than North Carolina."

hearing, which confines a person to jail until he complies with a support order must find not only that his failure to comply with the support order was willful but also that he presently possesses the means to comply with the order. *Ingle v. Ingle*, 18 N.C. App. 455, 197 S.E.2d 61 (1973).

Cited in *Childers v. Childers*, 19 N.C. App. 220, 198 S.E.2d 485 (1973).

**Findings Required for Order Incarcerating Person until Compliance with Support Order.**

— An order, entered pursuant to a contempt

**§ 52A-16. Additional duties of the court of this State when acting as a responding court.** — The court of this State when acting as a responding state shall have the following duties which may be carried out through the clerk of the court:

- (1) Upon receipt of a payment made by the defendant pursuant to any order of the court or otherwise, to transmit the same forthwith to the initiating court and
- (2) Upon request to furnish to the initiating court a certified statement of all payments made by the defendant. (1951, c. 317; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, substituted "initiating court" for "court of the initiating state" in subdivisions (1) and (2).

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including proceedings which have been initiated in a state other than North Carolina."



**§ 52A-17. Additional duty of the initiating court of this State.** — The initiating court shall have the duty which may be carried out through the clerk of court to receive and disburse forthwith all payments made by the defendant or transmitted by the responding court. (1951, c. 317; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, substituted "initiating court" for "court of this State when acting as an initiating state" and "responding court" for "court of the responding state," and deleted "the" following "clerk of."

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including proceedings which have been initiated in a state other than North Carolina."

**§ 52A-18. Evidence of husband and wife.** — Laws attaching a privilege against the disclosure of communications between husband and wife are inapplicable to proceedings under this Chapter. Husband and wife are competent witnesses to testify to any relevant matter, including marriage and parentage. (1951, c. 317; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, reenacted this section without change.

**§ 52A-19. Rules of evidence.** — In any hearing under this law wherein the defendant has been served with notice and summons as herein provided, the verified complaint of the plaintiff shall be admissible as prima facie evidence of the facts therein stated in any court of this State having jurisdiction to conduct hearings pursuant to this Chapter. In those cases where the defendant fails to appear after service of notice and summons, the court may enter a reasonable order for support. Upon proper motion of the defendant, the reasonableness of the order may be reconsidered by the court and upon a showing by the defendant that the order is not within his financial ability to pay, is beyond his earning capacity, or for other good cause shown, such order shall be subject to modification from time to time. The order fixed by the court shall also be subject to modification from time to time upon motion of the plaintiff. (1951, c. 317; 1955, c. 699, s. 10; 1975, c. 656, s. 1.)

**Editor's Note.** — The 1975 amendment, effective Oct. 1, 1975, deleted a comma near the beginning of the first sentence.

**Applied in** *Barringer v. Barringer*, 24 N.C. App. 142, 210 S.E.2d 90 (1974).

**§ 52A-20. Proceedings not to be stayed.** — A responding court may or may not stay the proceeding or refuse a hearing under this Chapter because of any pending or prior action or proceeding for divorce, separation, annulment, dissolution, habeas corpus, adoption, or custody in this or any other state. The court may hold a hearing and may issue a support order pendente lite. In aid thereof it may require the obligor to give a bond for the prompt prosecution of the pending proceeding. If the other action or proceeding is concluded before the hearing in the instant proceeding and the judgment therein provides for the support demanded in the complaint being heard, the court must conform its support order to the amount allowed in the other action or proceeding. Thereafter, the court shall not stay enforcement of its support order because



of the retention of jurisdiction for enforcement purposes by the court in the other action or proceeding. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1955, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-21. Application of payments.** — A support order made by a court of this State pursuant to this Chapter does not nullify and is not nullified by a support order made by a court of this State pursuant to any other law or by a support order made by a court of any other state pursuant to a substantially similar act or any other law regardless of priority of issuance, unless otherwise specifically provided by the court. Amounts paid for a particular period pursuant to any support order made by the court of another state shall be credited against the amounts accruing or accrued for the same period under any support order made by the court of this State. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-22. Effect of participation in proceeding.** — Participation in any proceeding under this Chapter does not confer jurisdiction upon any court over any of the parties thereto in any other proceeding. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-23. Intrastate application.** — This Chapter applies if both the obligee and the obligor are in this State but in different counties. If the court of the county in which the complaint is filed finds that the complaint sets forth facts from which it may be determined that the obligor owes a duty of support and finds that a court of another county in this State may obtain jurisdiction over the obligor or his property, the clerk of the court shall send the complaint and a certification of the findings and any other document filed with the court to the court of the county in which the obligor or his property is found. The clerk of the court of the county receiving these documents shall notify the prosecuting attorney of their receipt. The prosecuting attorney and the court in the county to which the copies are forwarded then shall have duties corresponding to those imposed upon them when acting for this State as a responding state. In all intrastate proceedings provisions of this Chapter stated to be applicable to an initiating state and a responding state are applicable respectively to an initiating county and a responding county. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."



**§ 52A-24. State information agency.** — The State Division of Social Services is designated as the State information agency under this Chapter. It shall:

- (1) Compile a list of the courts and their addresses in this State having jurisdiction under this Chapter and transmit it to the state information agency of every other state which has adopted this or a substantially similar act. Upon the adjournment of each session of the legislature the agency shall distribute copies of any amendments to the Chapter and a statement of their effective date to all other state information agencies;
- (2) Maintain a register of lists of courts received from other states and transmit copies thereof promptly to every court in this State having jurisdiction under this Chapter; and
- (3) Forward to the court in this State which has jurisdiction over the obligor or his property complaints, petitions, certificates and copies of the Chapter it receives from courts or information agencies of other states.

If the State information agency does not know the location of the obligor or his property in the State and no State location service is available it shall use all means at its disposal to obtain this information, including the examination of official records in the State and other sources such as telephone directories, vital statistics records, police records, requests for the name and address from employers who are able or willing to cooperate, records of motor vehicle license offices, requests made to the tax offices, both State and federal, where such offices are able to cooperate and requests made to the Social Security Administration as permitted by the Social Security Act as amended.

To assist in locating parents who have deserted their children and other persons liable for support of dependents, the Division of Social Services may request and shall receive information from the records of all departments, boards, bureaus or other agencies of this State and the same are authorized and directed to provide such information as is necessary for this purpose. Only information directly bearing on the identity and whereabouts of a person owing or asserted to be owing an obligation of support shall be requested and used or transmitted by the Division of Social Services pursuant to the authority conferred by this Chapter. The Division of Social Services shall make such information available to public officials and agencies of this State, other states and the political subdivisions of this State and other states seeking to locate parents who have deserted their children and other persons liable for support of dependents for the purpose of enforcing their liability for support. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-25. Additional remedies.** — If the duty of support is based on a foreign support order, the obligee has the additional remedies provided in the following sections. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."



**§ 52A-26. Registration.** — The obligee may register the foreign support order in a court of this State in the manner, with the effect, and for the purposes herein provided. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-27. Registry of foreign support orders.** — The clerk of superior court shall maintain a registry of foreign support orders in which he shall file foreign support orders. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-28. The official.** — If this State is acting either as a rendering or a registering state the representation of the obligee in proceedings under this Chapter shall be the same as is set out in G.S. 52A-10.1 and 52A-10.3. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-29. Registration procedure; notice.** — An obligee seeking to register a foreign support order in a court of this State shall transmit to the clerk of the court (i) three certified copies of the order with all modifications thereof, (ii) one copy of the reciprocal enforcement of support act of the state in which the order was made, and (iii) a statement verified and signed by the obligee, showing the post-office address of the obligee, the last known place of residence and post-office address of the obligor, the amount of support remaining unpaid, a description and the location of any property of the obligor available upon execution, and a list of the states in which the order is registered. Upon receipt of these documents, the clerk of the court, without payment of a filing fee or other cost to the obligee, shall file them in the Registry of Foreign Support Orders. The filing constitutes registration under this Chapter.

Promptly upon registration, the clerk of the court shall send by certified or registered mail to the obligor at the address given a notice of the registration with a copy of the registered support order, and the post-office address of the obligee. He shall also docket the case and notify the prosecuting attorney of his action. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-30. Effect of registration; enforcement procedure.** — (a) Upon registration, the registered foreign support order shall be treated in the same manner as a support order issued by a court of this State. It has the same effect and is subject to the same procedures, defenses, and proceedings for reopening,



vacating or staying as a support order of this State and may be enforced and satisfied in like manner.

(b) The obligor has 20 days after the mailing of notice of the registration in which to petition the court to vacate the registration or for other relief. If he does not so petition, the registered support order is confirmed.

(c) At the hearing to enforce the registered support order, the obligor may present only matters that would be available to him as defenses in an action to enforce a foreign money judgment. If he shows to the court that an appeal from the order is pending or will be taken or that a stay of execution has been granted, the court shall stay enforcement of the order until the appeal is concluded, the time for appeal has expired, or the order is vacated, upon satisfactory proof that the obligor has furnished security for payment of the support ordered as required by the rendering state. If he shows to the court any ground upon which enforcement of a support order of this State may be stayed, the court shall stay enforcement of the order for an appropriate period if the obligor furnishes the same security for payment of the support ordered that is required for a support order of this State. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-31. Severability.** — If any provision of this Chapter or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Chapter which can be given effect without the invalid provision or application, and to this end the provisions of this Chapter are severable. (1975, c. 656, s. 1.)

**Editor's Note.** — Session Laws 1975, c. 656, s. 3, makes the act effective Oct. 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."

**§ 52A-32. Interpretation of Chapter.** — This Chapter shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states having a substantially similar act. (1955, c. 699, s. 12; 1975, c. 656, s. 1.)

**Editor's Note.** — This section was formerly § 52A-20. It was recodified as § 52A-32 by Session Laws 1975, c. 656, s. 1, effective July 1, 1975.

Session Laws 1975, c. 656, s. 2, provides: "This act shall not apply to pending litigation including

proceedings which have been initiated in a state other than North Carolina."



## STATE OF NORTH CAROLINA

## DEPARTMENT OF JUSTICE

Raleigh, North Carolina

November 1, 1975

I, Rufus L. Edmisten, Attorney General of North Carolina, do hereby certify that the foregoing 1975 Cumulative Supplement to the General Statutes of North Carolina was prepared and published by The Michie Company under the supervision of the Division of Legislative Drafting and Codification of Statutes of the Department of Justice of the State of North Carolina.

RUFUS L. EDMISTEN

*Attorney General of North Carolina*

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November 1, 1907

I, Rufus L. Eastman, Attorney General of North Carolina, do hereby certify that the foregoing is a complete Supplement to the General Statutes of North Carolina, and was published by The Blake Company under the supervision of the Department of Legislative Drafting and Certification of Statutes of the Department of Justice of the State of North Carolina.

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